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A policeman in the border town of Mali Zvornik, Serbia, checking a truck's papers Friday. Serbia's announced plan to cut access is apparently not being enforced.

## Clinton Is Confident A 'Common Approach' Is Emerging on Bosnia

By Thomas L. Friedman  
New York Times Service  
WASHINGTON — Despite the apparent lack of progress from a week of diplomatic consultations, President Bill Clinton said Friday that he expected to produce "a common approach" with Europe soon on military action in Bosnia.

"There's still some disagreement around the edges about what the overall specific tactical steps should be," Mr. Clinton said after a meeting at the White House with representatives of the European Community. "But I think there's a lot more agreement than you think and I think in the next few days we'll see a common approach emerging."

As he sent top aides to Moscow for another round of talks with the Russian government and prepared for a weekend of consultations with Secretary of State Warren M. Christopher to decide how he wants to proceed and how to sell his strategy in Europe, the president declined to specify where the consensus might lie between Washington and its allies.

Some European officials have suggested that they are not seeking some formal agreement but are simply waiting for Mr. Clinton to make up his mind and then will be willing to give their support.

Still, American officials were upbeat Friday about the prospects of being able to proceed soon with some variant of their strategy: lifting the arms embargo on the Bosnian Muslims and combining that with air strikes against the Bosnian Serbs to create a more equal balance between the two sides before negotiating a final settlement.

It was not clear whether Mr. Clinton really expected a concrete agreement to emerge among the allies, or was simply putting the best diplomatic face on his dilemma. But for the first time, he began to make the public case for lifting the arms embargo on the Muslims, something Mr. Christopher has been trying to sell to the European allies for the last week.

Mr. Clinton said the imposition of the UN embargo on Bosnia "before actually this country was even created and recognized had the unintended consequence of giving the Serbs an insurmountable military advantage, which they have pressed with ruthless efficiency."

Therefore, he added, lifting the embargo now was "certainly one of the options that we have urged that be considered, and I think it's certainly one of the options that's still on the table."

## At the Border, No Sign Yet Of Promised Serb Embargo

Compiled by Our Staff From Dispatches  
MALI ZVORNIK, Serbia — Traffic rumbled back and forth across the Drina River bridges on the frontier between Bosnia and rump Yugoslavia Friday despite a blockade declared by Belgrade's government.

Yugoslav security forces at a roadblock on a bridge at Mali Zvornik said they had not been given orders to apply the embargo announced Thursday by Serbia against their Bosnian kin.

Elsewhere, there were no signs that the Bosnian Serbs were responding to international pressure to stop the campaign of conquest and "ethnic cleansing" in Bosnia.

Two 16th-century mosques, including one considered one of the most beautiful in the former Yugoslavia, were blown up in the Bosnian Serb stronghold of Banja Luka in an attack condemned by the United Nations as an attempt by extremists to terrorize Muslims into flight.

The commander of the Bosnian Serb Army denied UN military observers access to the besieged Muslim enclave of Zepa, where fierce fighting was reported for a fourth day, a UN spokesman said.

The eastern Bosnian settlement, where about 40,000 civilians are trapped, was one of four Muslim enclaves that the Security Council declared as UN-monitored "safe areas" on Thursday, along with the capital, Sarajevo.

The capture of Zepa would bring Bosnia's Serbs closer to their goal of uniting the entire region with Serb-dominated Yugoslavia.

An amateur radio operator said in a broadcast from Zepa, monitored in Sarajevo, that Bosnian Serb tanks were pounding the mountain settlement and that at least 200 people had been killed since the onslaught was begun Tuesday.

## 'Bloody Nose' From Voters Adds to Major's Woes

By Eugene Robinson  
Washington Post Service  
LONDON — Just when it looked like Prime Minister John Major's government was finally getting on track, Mr. Major was suddenly in deep political trouble again Friday after voters gave his Conservative Party "a bloody nose" in local elections.

Prominent Conservative politicians were openly calling for Mr. Major to reshuffle his cabinet following the defeat. Opposition leaders, meanwhile, were crowing at his predicament and terming the election results a devastating blow.

The vote totals appeared to confirm widespread dissatisfaction with the Conservative government's record of economic recovery.

Added to new revelations that the Conservative Party had initiated the Maastricht Treaty on European Union, the results have led to renewed questions about the leadership and political know-how.

The Conservatives lost the one seat in the House of Commons that was up for grabs in the elections on Thursday. In Newbury, a district that the Conservatives carried by more than 12,000 votes in last year's general election, the Conservative candidate lost to a Liberal Democrat by more than 22,000 votes.

In voting for local county councils throughout England and Wales, the Conservatives did even worse. They lost control of 15 councils, which left them with firm control of only one such body throughout England and Wales.

Mr. Major said he would offer "no excuses" for the results. "People were determined to give the government a bloody nose and that, in practice, is what they did last night," he said.

"I don't think you can be humiliated by democracy. Democracy is there to tell governments when people are concerned that things haven't gone right."

Other senior Conservatives were less sanguine about the message the voters had delivered.

"When a government is in trouble we are all vulnerable, particularly ministers," said Sir Marcus Fox, who heads an influential group of Conservatives in the House of Commons. "We have got to present a far more positive image to people and, I think, have more confidence in ourselves."

He and others said that Mr. Major may now have to shuffle his cabinet. With polls showing that voters were angrier about the economy, the focus was on the chancellor of the Exchequer, Norman Lamont, as a possible sacrificial lamb.

"Obviously the chancellor must go, and it was a grave mistake that he wasn't changed last autumn," said a Conservative member of Parliament, John Carlisle. Referring to Mr. Lamont.

See BLOODY, Page 5

## It's Back to Basics, as White House Seeks a New Start

By Ann Devroy  
Washington Post Service  
WASHINGTON — Seeking to recapture the focus of his presidency after a halting start, President Bill Clinton will try to go "back to basics," concentrating broadly on economic revitalization, getting out more into the country and limiting what he perceives as excessive spending.

Interviews with White House officials and other Democrats suggest that Mr. Clinton is prepared, in effect, to start over, picking up the broad outline of his economic proposal and using its emphasis on "investment," "fair taxation," and health care overhaul to bring back into the public mind the positive images that brought victory in November. They were again in view the week he announced his economic program in February, but they have not been much since.

"The president is getting defined by his commitments, not by his principles," one senior aide said. "He knows and we know it's time to go back to basics."

Ever since the unveiling of the economic program, the aide said, Mr. Clinton has been unable to portray the agenda as one of broad economic revitalization and has instead been drawn into fights over spending, taxing and other peripheral or damaging issues.

Richard A. Gephardt of Missouri, the House Democratic leader, told reporters Thursday that Mr. Clinton would not be able to get his entire investment package. The investment portion of the economic package is important to the White House because it helps define the president as a "new" Democrat.

Mr. Gephardt said the Democrats could "get a significant part" of the package approved but added that there was "no way" Congress would go for all of it because of budget restraints.

The White House hopes to make May a month in which Mr. Clinton can talk in broad terms to the nation about "turning the economy around."

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Administration officials are clearly discussing this as a compromise option — bombing the Serbs from the air for several days to see if that alone is enough to get them to sign onto the UN-backed peace settlement, without taking the potentially escalatory step of lifting the embargo.

Another option under discussion is to try to build on the decision by President Slobodan Milosevic of Serbia to close off his border with Bosnia to all but humanitarian supplies, after

See CLINTON, Page 5

**Kiosk**

**Italian Survives Confidence Vote**  
ROME — Prime Minister Carlo Azeglio Ciampi survived his first big parliamentary test Friday when his 8-day-old government won a confidence vote on proposals for political and economic reform. Article, Page 2

**Argentina Protests U.K. Move Off Falklands**  
BUENOS AIRES (Reuters) — Argentina handed a "strongly worded" note to the British ambassador on Friday protesting Britain's decision to extend its territorial waters around several disputed South Atlantic islands, the Argentine Foreign Ministry said. Britain said Thursday that it was extending to 200 miles (320 kilometers) its 12-mile territorial jurisdiction in waters surrounding South Georgia and the South Sandwich islands, two remote archipelagos lying east of the British-ruled Falkland Islands. Argentina lost the 1982 war the two nations fought over the Falklands.

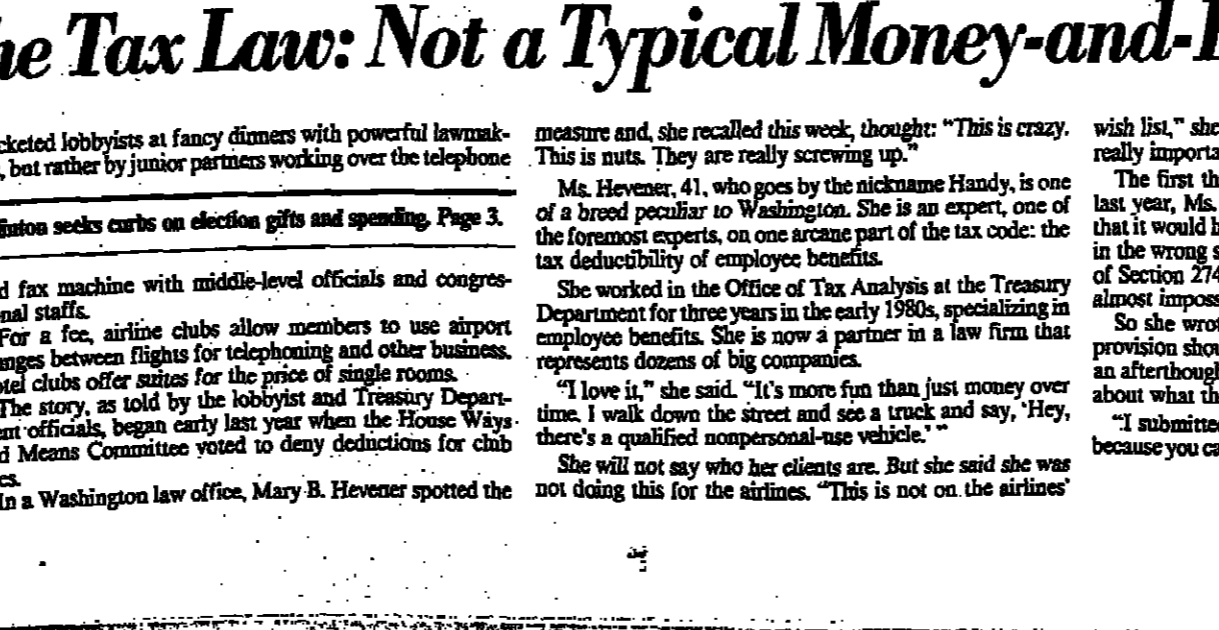
Dow Jones		Nasdaq	
Down 4.71	3,437.19	Down 0.46%	100.62
The Dollar		Euro	
New York	1.566	1.5736	
DM	1.5695	1.581	
Pound	1.10375	110.07	
Yen	5.338	5.305	

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President Bill Clinton and Vice President Al Gore, followed by Representative Thomas S. Foley, the House speaker, and Senator George J. Mitchell, the majority leader, at far right, striding across the South Lawn during a busy Friday at the White House.

## The Lobbyist and the Tax Law: Not a Typical Money-and-Power Story

By David E. Rosenbaum  
New York Times Service  
WASHINGTON — Under President Bill Clinton's tax bill, businesses would no longer be allowed to take tax deductions for the cost of their executives' club dues. With this exception, dues for membership in airline and hotel clubs would continue to be deductible.

Clinton seeks curbs on election gifts and spending. Page 3.

Ms. Hevener, 41, who goes by the nickname Handy, is one of a breed peculiar to Washington. She is an expert, one of the foremost experts, on one arcane part of the tax code: the tax deductibility of employee benefits.

She worked in the Office of Tax Analysis at the Treasury Department for three years in the early 1980s, specializing in employee benefits. She is now a partner in a law firm that represents dozens of big companies.

"I love it," she said. "It's more fun than just money over time. I walk down the street and see a truck and say, 'Hey, there's a qualified nonpersonal-use vehicle.'"

# Ciampi Wins Test Of Program for Massive Change

By Alan Cowell  
New York Times Service  
ROME — Italy's new prime minister, Carlo Azeglio Ciampi, won a first and important parliamentary confidence vote Friday night that endorsed proposals for reform in which the country's political map is supposed to be redrawn to prevent the economy from sliding into further disarray.  
The vote in the lower house was 399 in favor and 60 against, with 185 abstentions.  
The result reflected a decision by leading opposition groups, notably the former communist Democratic Party of the Left and the insurgent Northern League, to abstain. Both had said they would not support the 8-day-old government by voting against it, but would not formally support it because of its ties to the parties that have dominated Italian political life for decades.  
Even though Mr. Ciampi himself is viewed as a nonpolitical figure, his government draws parliamentary support from the same four-party coalition, dominated by Christian Democrats and Socialists, that Mr. Ciampi inherited from his predecessor, Giuliano Amato.  
Mr. Amato stepped down last month after a referendum showed the vast majority of Italians in favor of electoral changes that would reduce the number of parties in Parliament and supposedly create more stable administrations. Mr.

Ciampi is the first postwar Italian government.  
On Thursday, the Socialists, deeply implicated in Italy's vast bribery scandal, threatened a walk-out but, in a later reversal, said they would support the government. Those who opposed it Thursday night were small fringe groups, such as neo-fascists, hard-line communists and the anti-Mafia La Rete party, the very existence of which is threatened by the proposed changes.  
Just before the vote, Mr. Ciampi, a former central bank governor, renewed pledges to lead a stopgap administration devoted solely to rapid reform.  
"We need a new electoral system before the summer recess," he told the Parliament. "If in the next few weeks it seems as if this is not going to be achieved, it would be a grave fault of this government not to take the necessary measures."  
"This government was born with the aim of electoral reform," he said in reply to questions from legislators about how long his government would last. "Once the reforms have been approved, the decisions will be entrusted to you and the head of state."  
The reforms are supposed to replace proportional representation with a majority voting system that would supposedly reduce the power of political parties and make legislators more accountable to the voters.

# Bonn and Warsaw Sign Refugee Pact

By Craig R. Whitney  
New York Times Service  
BONN — Germany, on the verge of changing its constitution to cut down a flood of foreign asylum-seekers, signed a treaty with Poland on Friday that will allow it to turn many back at the border and deport up to 10,000 rejected applicants who arrive from Poland this year.  
Interior Minister Rudolf Seiers described the treaty as a model for a similar one his country is trying to negotiate with the Czech Republic.  
Germany will also pay Poland 120 million Deutsche marks (\$76.4 million) this year and next to provide shelter for immigrants and improve surveillance of its own borders, with equipment purchased from Germany with the money provided under the treaty.  
The Polish interior minister, Andrzej Milczanowski, said he expected to reach agreements by the end of this year with Hungary, Ukraine, and its other neighbors to cut down the flow of illegal immigrants.  
After 1993, the treaty with the Poles will allow the Germans to deport unlimited numbers of rejected applicants for asylum arriving from Poland, within six months of their arrival. No one who arrives before the treaty goes into effect later this year will be subject to deportation, however.  
Germany received 438,191 applications for asylum last year, most of them from the republics of former Yugoslavia, Romania, Bulgaria and Turkey, compared with 256,112 the year before. It is estimated that 100,000 of last year's applicants come through Poland.  
Protesting the signature of the treaty, the Roma National Congress in Hamburg, representing

Gypsies who say they are fleeing persecution from Romania and Bulgaria, asserted: "Poland is slowly becoming equipped to be a forward observation post for German interests."  
The influx of asylum-seekers has been blamed for a wave of attacks by rightist extremist groups in Germany. A total of 2,280 such attacks resulted in the deaths of 17 people, 7 of them foreigners, last year, before the government banned several of the groups.  
The attacks have continued at lower levels, with 141 crimes by rightist extremists recorded in the first two months of this year.  
The government and opposition parties have agreed to support a change in the unconditional constitutional guarantee of asylum to anyone who arrives on German soil and asks for it, on the ground that 95 percent of those who had done so in recent years were not fleeing political persecution but trying to migrate for economic reasons. Refugees from the fighting in the former Yugoslavia are admitted separately.  
Under the constitutional change, expected to be approved by parliament next month, authorities would be able to deny applications at airports and turn back those who arrive through "safe" third countries, like Poland, the Czech Republic, Switzerland, France, Belgium, the Netherlands, or Denmark at the border on the ground that they could and should apply for asylum in those countries first.  
In the first four months of this year, 160,000 asylum-seekers have continued to pour into Germany at a rate of more than 1,400 people a day.  
Germany has also reached separate agreements with Bulgaria and Romania to send back refugees who agree to return to those countries.



Dingiri Banda Wijetunga, center top, being congratulated by legislators after his unopposed election as Sri Lanka's president.

# Sri Lankan Leader Asks Rebel to Talks

Compiled by Our Staff From Dispatches  
COLOMBO — Prime Minister Dingiri Banda Wijetunga, elected unopposed to succeed the assassinated Ranasinghe Premadasa as president, said Friday that his first task was to unify Sri Lanka, and he invited a rebel leader to peace talks.  
Mr. Wijetunga said he wanted to hold talks with Velupillai Prabhakaran, head of the Liberation Tigers of Tamil Eelam. The group is suspected by police of Mr. Premadasa's killing.  
"Leaders should meet leaders," Mr. Wijetunga said, rejecting previous Tiger proposals that someone else represent Mr. Prabhakaran in talks with the government.  
Opposition parties did not field a candidate in the special session of Parliament on Friday, automatically confirming Mr. Wijetunga, the nominee of the ruling United National Party, as president.  
Mr. Wijetunga had been the low-profile prime minister in Mr. Premadasa's govern-

ment since 1989, and had been acting president since Mr. Premadasa was assassinated May 1 by a suicide bomber. He will serve the rest of the six-year term until December 1994, when elections are to be held.  
After being sworn in, Mr. Wijetunga appointed Ranil Wickremasinghe, 44, as the prime minister. Mr. Wickremasinghe, who is minister of industries, science and technology, keeps those portfolios. The same 22-member cabinet was retained, the government said.  
Mr. Wijetunga kept Mr. Premadasa's portfolios of defense, policy planning and implementation, Buddhist affairs, and education and higher education.  
Mr. Premadasa, who was killed with 23 others by a suicide bomber, was cremated Thursday. The opposition, which mostly boycotted the funeral, urged Mr. Wijetunga to change the constitution. Under it, Mr. Premadasa's successor is required to serve the

rest of his term. The opposition wants early parliamentary elections and a popular presidential election.  
Sirima Bandernaike, head of the main opposition Sri Lankan Freedom Party, said the country had been "gravely imperiled" by the authoritarian rule of Mr. Premadasa and his predecessor, Juvana R. Jayewardene.  
Mr. Premadasa reduced the powers of Parliament and state bodies after taking office in 1988. Mr. Jayewardene had already rewritten the constitution to introduce a presidential system of government.  
Police identified Mr. Premadasa's assassin as a Tamil rebel, but the Tigers denied responsibility.  
The military had halted operations against the rebels for Mr. Premadasa's funeral but resumed attacks on Friday. Two air force planes bombed positions in the Tamil-rebel-controlled northern town of Kilinochchi, residents said.  
(Reuters, AP)

# In Japan, Louder Calls to End UN Role

By Paul Blustein  
Washington Post Service  
TOKYO — When a Japanese policeman was killed and four others wounded Tuesday while serving with United Nations forces in Cambodia, Japan took a historic leap. The deeply pacifist nation joined the ranks of countries that occasionally sacrifice lives and limbs in the cause of restoring peace to troubled lands.  
Or so it seemed. In the days since the guerrilla attack, the reaction by the Japanese government and public has cast doubt on whether Tokyo really has the stomach to continue extending its international role so far beyond the giving of money.  
Shock over the death of Haruyuki Takata, a 33-year-old police inspector gunned down in northwest Cambodia, is forcing the government to reevaluate whether it can send people abroad without extraordinary assurances of their safety.  
That in turn is raising new questions about how far Japan can go in shedding its reputation for check-book diplomacy, and attaining greater political clout of a caliber to match its economic might.  
On Friday, a maverick member of the cabinet, the minister of Posts and Telecommunications, Jun-ichiro Koizumi, voiced a widely held sentiment when he asserted that Japan, with its militarist past and pacifist constitution, should limit its UN role to such activities as rebuilding bombed-out bridges in tranquil areas.  
Since conditions in Cambodia

are becoming "more like a civil war," he said, Japan should pull its people out, "and just put up with the criticism."  
The government is strongly rejecting calls for a withdrawal from Cambodia, and is even proceeding with plans to send volunteer monitors — perhaps 40 instead of the original target of 50 — to help supervise elections scheduled for May 23 to 28.  
But after the ambush of Mr. Haruyuki and his comrades, Tokyo has developed qualms over seeing its people deployed in the kinds of places where a couple of dozen peacekeepers from other nations — Bulgaria, for example, or the Philippines — have suffered injuries and deaths in the last several weeks.  
The government is clearly worried that further Japanese casualties could wreck the fragile public support for Japanese participation in peacekeeping operations. So it is urgently trying to ensure the safety of its personnel in Cambodia.  
A delegation of officials arrived in the Cambodian capital, Phnom Penh, on Friday night and asked the UN Transitional Authority in Cambodia to permit the 70-odd remaining Japanese peacekeepers to leave their posts at least temporarily for a "consultation" in Phnom Penh.  
According to Japanese news reports, the UN command is resisting the request on the ground that no special treatment can be accorded any particular nation.  
Japan has also asked the United Nations to redeploy all civilian policemen to safer areas.  
"The Japanese are in real danger of losing the positive image they gained in the first place by sending people to Cambodia," said Robert Orr, director of the Institute for Pacific Rim Studies at Temple University-Japan.  
Khmer Rouge is Poisoned  
Khmer Rouge guerrillas are poised for a major assault on government-controlled towns in north-

western Cambodia, news agencies reported Friday from Phnom Penh, Cambodia, quoting a senior guerrilla officer.  
"I think the attack on Vietnamese and their puppets will take place in the next few days," he said, referring to the Phnom Penh government, formed by the Vietnamese who occupied Cambodia from 1979-1989. The officer said Khmer Rouge reinforcements were approaching the towns of Sisophon, Battambang and Steng Reap and were poised to attack.  
The Khmer Rouge also denied Friday that its troops had attacked UN peacekeepers. It said the United Nations had become a hostage to the Phnom Penh administration and had lost control of Cambodia.  
In New York, Boutros Boutros Ghali, the UN secretary-general, said Friday that despite attacks by the Khmer Rouge, the United Nations should push ahead with the elections scheduled for later this month.  
(Reuters, AP)

# North Korea Sets Limit On UN's Nuclear Team

The Associated Press  
VIENNA — North Korea has issued visas to three United Nations nuclear inspectors after weeks of stalling, but it will sharply restrict their activities in the country, a UN official said Friday.  
It was unclear why North Korea was limiting the size of the team, which would normally be much larger.

# Prague Aides Deny Word Of Plot to Murder Havel

Prague — The police and Interior Ministry officials contradicted Interior Minister Jan Ruml on Friday, saying they had found no evidence of a foreign conspiracy to assassinate President Vaclav Havel.  
Mr. Ruml had told Czech television Thursday that the police had captured five foreign suspects in connection with a plot to kill the 56-year-old president. But at a news conference less than 24 hours later, an Interior Ministry spokesman, Jan Subert, said there was "no proof that an assassination attempt was being prepared."  
Miroslav Vavra, a senior police investigator, said five suspects, all from former Yugoslavia, would be deported from the Czech Republic for "criminal activities." Mr. Vavra and other senior police officials sidestepped questions on why the five would not be charged in the Czech Republic and how long they would be held before being deported.  
They said the police had acted after the mass-circulation newspaper Blek received an anonymous letter, which it passed on to security authorities, warning that extremists from Montenegro were preparing to kill Mr. Havel. The letter, written in poor Czech, said extremists from Montenegro were preparing to kill the president because of "the recent speech of Havel in the United States and his statement about Yugoslavia."  
At a White House news conference last month, Mr. Havel called for more resolute action to end the fighting in former Yugoslavia and appeared to back air strikes on Serbian artillery positions.

# Abortionists Feel the Threat Stand-In for Slain Clinic Doctor Fears He May Be Next

By William Booth  
Washington Post Service  
PENSACOLA, Florida — He is angry, fearful, frustrated and alone. He is a gynecologist who has temporarily replaced Dr. David Gunn, the physician shot to death in March at an abortion clinic here. The new man, who performs abortions two days a week at the Pensacola Women's Medical Services Center, agreed to be interviewed for the first time. He does not want his name used, although he thinks that anti-abortion activists know it.  
"They're killers," he said, drinking diet sodas and sweating, seemingly with nervous energy, in a clinic office.  
"It might make a good story for you if I told you everything about me. But they'd put me on a wanted poster, and then they'd put a bullet in my head."  
These concerns, and precautions that he and other physicians and staff members take at the six clinics where Dr. Gunn worked in Florida, Alabama and Georgia, offer a snapshot of the politics and reality of abortion in America. Fewer physicians are willing to endure what they call constant harassment and threats from an increasingly sophisticated anti-abortion movement.  
He said working in abortion clinics has made him an outcast among physicians and denied him "a life with a house and a white picket

fence and a wife and three children."  
He lives alone, he said, "thrown into a war zone," and he sleeps with a gun under his pillow.  
As a medical student and resident, said the doctor, who is in his 40s, he never saw an abortion performed. "I am against abortion," he said. "I hate it." But he thinks that women are entitled to safe and legal abortion if they choose it.  
Keith Tucci, a founder of the anti-abortion group Operation Rescue, said recently, "The weak link is the doctors."  
He added: "In the future, abortions will be legal, federally funded, federally sanctioned. There just won't be any doctors willing to perform them."  
The doctor here spoke angrily about failure of politicians and law enforcement officials, including Attorney General Janet Reno, to treat anti-abortion activists as terrorists interfering with one of the nation's most common surgical procedures.  
Protesters make his patients so nervous, he said, that abortions become more difficult and dangerous.  
Before his death, Dr. Gunn was portrayed on a "wanted" poster that was distributed by anti-abortion activists and that listed his clinic schedules and phone numbers. He was slain on March 10 as he approached the clinic. Michael Griffin, a man with a violent past who was loosely affiliated with local anti-abortion activists, is awaiting trial on a murder charge.  
Only two of the six clinics have found permanent replacements, and several have cut back on the number of abortions performed.

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# AIDS Vaccine to Be Tested in Pregnant Women

The Associated Press  
WASHINGTON — Experimental vaccines will be given to HIV-infected pregnant women to test whether the drugs are safe and newborns can be protected from the fatal AIDS disease, federal health officials announced.  
The candidate vaccines are being

tested for their ability to stimulate an anti-virus response in women who have HIV and to find out if this response is passed on to the babies the women are carrying, said Health and Human Services Secretary Donna E. Shalala.  
Officials said there will be two vaccine trials conducted at eight university research hospitals.  
About 75 percent of babies born to women infected with HIV, the virus that causes AIDS, never develop the disease. It is unknown why some babies get the disease, while others do not, but the department's scientists said HIV is thought to be transmitted late in pregnancy or during the birth process.

Dr. Anthony S. Fauci, the head of the National Institute of Allergy and Infectious Diseases, said it is hoped that the candidate vaccines trigger antibodies that will not only help the mother but also cross into the baby and protect it from HIV. A similar procedure has been found to work for tetanus immunization.  
Carol Tucker Foreman, a former assistant secretary of agriculture and now a consultant, said: "I think you have to tell

# WORLD BRIEFS

## South Africans Accept All-Race Vote

JOHANNESBURG (Reuters) — South Africa's main political groups formally agreed Friday that the country's first all-race elections should be held within 12 months.  
Delegates to constitutional negotiations being held near Johannesburg passed a resolution committing themselves to agreeing within four weeks on a date for elections no later than the end of April next year. The proposal was supported by representatives of the government, the African National Congress and the Inkatha Freedom Party.  
Only two of the 26 groups at the talks — the Ciskei black homeland and the rightist Conservative Party — objected to the resolution. But in a move hailed by the ANC secretary-general, Cyril Ramaphosa, as "a victory for the negotiation process," the Ciskei representative, Mick Webb, said he had the Conservative Party willing to forgo further debate and move on to the next issue on the talks agenda.

## U.S. Paring 46 More Overseas Bases

WASHINGTON (Reuters) — The United States said Friday that it would close or reduce operations at 46 additional overseas military sites, mostly in Europe, and bring home 6,100 more troops in continuing post-Cold War budget cuts.  
The 11th round of such overseas base reductions since early 1990 will include 22 sites in Germany, 10 in Britain, 10 in South Korea, 3 in Italy, and one in Morocco, the Defense Department said.  
Finally all the troops affected would be in Europe, defense officials said. The cuts in South Korea involve very small facilities such as radar sites. There were 173,000 U.S. military personnel in Europe as of March 1, including 105,000 army troops; the move announced Friday would eventually reduce that total to about 167,000.

## 6th Man Is Charged in N.Y. Bombing

NEW YORK (NYT) — A 27-year-old Palestinian who was deported from Israel has been charged with conspiring in the World Trade Center bombing by traveling into the United States with another suspect and carrying manuals that told how to construct the kind of bomb used in the Feb. 26 explosion.  
In a federal complaint, officials said Mohammed Ahmad Ajaji entered the country last September on a flight from Pakistan with Ramzi Ahmed Yousef, another suspect, who is still missing. They said Thursday that Mr. Yousef's fingerprints were found on two of the 12 manuals that Mr. Ajaji was carrying when he was taken into custody.  
Mr. Ajaji, who has been in federal detention on and off since September, is the sixth suspect charged directly in the bombing case. A seventh suspect has been held for resisting a search of his apartment and for possessing five fraudulent passports.

## Peru Army Chiefs Linked to Killings

LIMA (Reuters) — A Peruvian general who has taken refuge in the U.S. Embassy says that killings by the army were carried out with the knowledge of the highest levels of command, but the army denied the accusations.  
General Rodolfo Robles said nine university students and a professor were killed in July by an intelligence unit operating with the approval and knowledge of General Nicolas Hermosa, chief of the army. General Robles was dismissed from a high-level army post last week, and according to family members had entered the U.S. ambassador's residence in central Lima. A State Department spokesman in Washington said the general and six members of his family had asked for political asylum.  
The army, in a statement, said "General Robles has made grave charges against army commander and other officials without proof to back them up." The army said if General Robles was aware of abuses he had "the moral obligation" to denounce them sooner.

## Li Peng Told to Rest for 'Some Time'

BEIJING (Reuters) — Prime Minister Li Peng has been ordered to "rest for some time," the Xinhua press agency said Friday.  
In keeping with the secrecy surrounding Mr. Li's illness, the official agency gave no details of the prime minister's condition and did not say whether he was still in the hospital. Mr. Li, 65, was first reported ill on April 26.  
Chinese officials have said only that he has a bad cold, but Hong Kong newspapers, quoting Chinese sources, have speculated that Mr. Li has heart trouble.

## For the Record

Patricia Harriman, a prominent Washington socialite and Democratic party activist, was confirmed as U.S. ambassador to France by the Senate on Friday.  
Brussels police said Friday they had recaptured Philippe Lacroix, who escaped while awaiting trial for the 1989 kidnapping of a former prime minister. Mr. Lacroix and Bassi Bejrami, still at large, are among defendants accused of kidnapping former Prime Minister Paul Vanden Boeynants. Mr. Vanden Boeynants was released after a month.  
(AP)

# TRAVEL UPDATE

Northwest Airlines, just ahead of United and Delta, has announced summer fare discounts. The Northwest reductions will reach 33 percent; the other two carriers are to have competitive rates in reservation computers by Saturday morning. The sale on North American and some trans-Atlantic flights ends at midnight May 18.  
Advance tickets to tour Buckingham Palace have sold out until 1996, just one week after it was announced that Queen Elizabeth II would open her main London residence to the public. However, advance tickets represent only 10 percent of the total. The others are to be sold to people who line up for immediate admission. About 400,000 are expected to visit the palace annually at £8 (\$12.50) an entry, of which only 40,000 are being sold in advance.  
The fountains in London's Trafalgar Square were turned off Friday after the death of a man last month from Legionnaire's disease. The man and two other people who were hospitalized with the illness had been in the area around Trafalgar Square and Leicester Square, the heart of the tourist district. The fountain has been emptied as a precautionary measure, the National Heritage Office said. Westminster Council earlier ordered other water cooling devices in central London area shut for inspection.  
(Reuters)

# AMERICAN TOPICS

## Safety Label Coming For Meat and Poultry

The family butcher will shortly be wrapping a sheet of instructions on cooking and handling in with the ground beef or the pork roast. For the first time since the federal government began regulating food safety, the Department of Agriculture will require all raw meat and poultry to have such labels by the end of the year. The New York Times reports.  
The issue was brought to a head early this year when three people died and more than 350 others were sickened by tainted hamburgers that had been undercooked by a fast-food chain in Washington state.  
The Agriculture Department has yet to draw up the details of the labeling requirement. Jeremy Rifkin, president of Beyond Beef, a group that wants to reduce beef consumption, said the label should tell consumers what to do "to avoid bacterial contamination." But a spokesman for the American Meat Institute said: "These will not be warning labels. They will be care labels."  
Carol Tucker Foreman, a former assistant secretary of agriculture and now a consultant, said: "I think you have to tell

people what the problem is if you want to avoid it, but you don't have to say it in an inflammatory way. I think USDA will end up somewhere in between what Mr. Rifkin wants — a skull and crossbones — and what the American Meat Institute wants, which is not quite adequate."  
Short Takes  
New York City will stop pumping drinking water from the 131-year-old Central Park Reservoir by the end of summer and will eventually close it. The reservoir, 106 acres (42 hectares) in surface and 40 feet (12 meters) deep, has long been considered a health hazard, since it is open to pollution from the city around it. Suggestions for use of the site include opening it to the public for swimming, boating, windsurfing and fishing, or draining it for more playgrounds; it would double the space available for team sports.  
A man who was shot through the skull with an arrow by a friend trying to knock a fuel can off his head lost his right eye but survived with no brain damage. The arrow's tip had gone nearly 10 inches (26 centimeters) into his brain. Surgeons in Portland, Oregon, removed the arrow from Anthony Roberts' head by drilling a larger hole around the tip at the back of his skull and pulling it through. Paramedics saved his life by restraining him when he tried to pull the arrow out himself from the front of his head.  
Dr. Johnny B. Delashaw, a neurosurgeon, said, "If he had succeeded, the flanges slicing through his brain would have killed him instantly."  
Why are basketball players sometimes called cagers? Because, explains the "Why Things Are" column of The Washington Post, when James Naismith invented the game in 1891, a ball that went out of bounds belonged to the team that recovered it. The resultant melee endangered the growing crowds on the sidelines, so a wire mesh cage was erected around the court, allowing plenty of room for action while safeguarding the fans. Eventually the rule was dropped. But the name was, although it has gone out of style in recent years.  
The Maryland state motto, "Fatti maschii, parole femine," which is also the motto of the Calvert family, which founded the colony, is Italian for "Manly deeds, womanly words." This is now considered sexist, so the state House of Delegates is weighing a rough but nonsexist translation into English: "Strong deeds, gentle words." The Washington Post ran a contest for humorous substitutes. The winner was "Maryland: Home of its residents'." Other entries included "Maryland: Home of its residents'" and "Maryland: It looks better in the dark."  
Arthur Higbee

JAVICO 150

STATESIDE / MONEY AND POLITICS

Clinton Proposes Curbs on Election Gifts and Spending

The Associated Press WASHINGTON — President Bill Clinton introduced legislation Friday to curtail the giving power of special interest groups and wealthy to House, Senate and presidential campaigns.

Aware of the opposition, Mr. Clinton proposed only partial public funding — and providing those taxpayer dollars just to candidates who accept spending limits and prove they can raise significant amounts in small donations.

Mr. Clinton also proposed prohibiting lobbyists from making campaign contributions to lawmakers they have lobbied.

In recent weeks, the political reform package has become a priority for White House political advisers, who view it as an important step in winning the attention, and ultimately the support, of backers of the independent candidate Ross Perot.

Away From Politics

- The two Los Angeles police officers convicted of violating Rodney King's civil rights in his March, 1991 beating, filed legal motions asking for a new trial, on the grounds that another officer's videotaped testimony from the earlier, state trial should not have been admitted as evidence.



President Bill Clinton taking a stance at the White House during a meeting with Stan Musial, the former St. Louis Cardinals star.

The Conservative Cast of U.S. Muslims

By Peter Steinfels New York Times Service DEARBORN, Michigan — There is an almost startling contrast between a resurgent Islam's tumultuous role on the world scene and the expectations of how a growing Islamic presence will change America.

of the recent Muslim immigrants from Pakistan, India and Egypt are physicians, engineers and business people who settle in suburbia and look forward to assimilating quickly into American society.

Immigrant Muslims themselves are divided by nationality and ethnicity, by different forms of Islam and by the generation gap between more assimilated immigrants and recent arrivals.

Islam in America is divided between African-American Muslims, who may account for one-third of the total, and immigrants. It is a division reinforced by cultural and socioeconomic differences. Many

doubted that the rate here was lower than in Canada, where, she said, two out of three Muslim women are marrying men who were not previously Muslim.

There is anything that appears to unite a vast majority of Muslims, it is the conviction that the United States unduly favors Israel in its dealings with Palestinians.

Schooling is a major issue among American Muslims, both immigrants and African-Americans.

POLITICAL NOTES

Senate Shrinks the Loopholes for Lobbyists

WASHINGTON — The Senate has overwhelmingly approved the most far-reaching overhaul of lobbying laws in half a century, including provisions to tighten registration laws and require lobbyists to publicly disclose meals, entertainment, trips and other gifts to lawmakers and their staffs.

Hillary, Again: Buildup for the Messenger

WASHINGTON — Suddenly, Hillary Rodham Clinton's face is back on the newstands, from Family Circle to the cover of People, from Time to The Washington Post.

Woman as President? Clinton Sees It Coming

Mr. Clinton predicts a woman will be elected president in his lifetime and says voters might find a woman in charge at the White House more acceptable than his wife's high-profile advisory role.

Quote/Unquote

Senator Jesse Helms, Republican of North Carolina, on why he will oppose the nomination of a San Francisco gay rights activist, Roberta Achenberg, to be assistant secretary for fair housing at the Department of Housing and Urban Development.

BASICS: Preparing to Start Over

The effort comes as Bosnia looms large on the White House screen, interfering at least temporarily with a full-fledged domestic focus. "We can't do anything about Bosnia," said one aide.

LOBBY: Arcane Effort

illustrate that point was an airline club or a hotel club. Like in a hotel, you can go down to the 14th floor and get pink fluffy towels. In an airline club, you can sit down and use the phone.

"When I'm sitting around in my backyard with my friends on a Saturday," she said, "I don't say, 'Hey, let's go out to the airport to my club.' I wouldn't have any friends."

And Muslim leaders do have definite political and social goals.

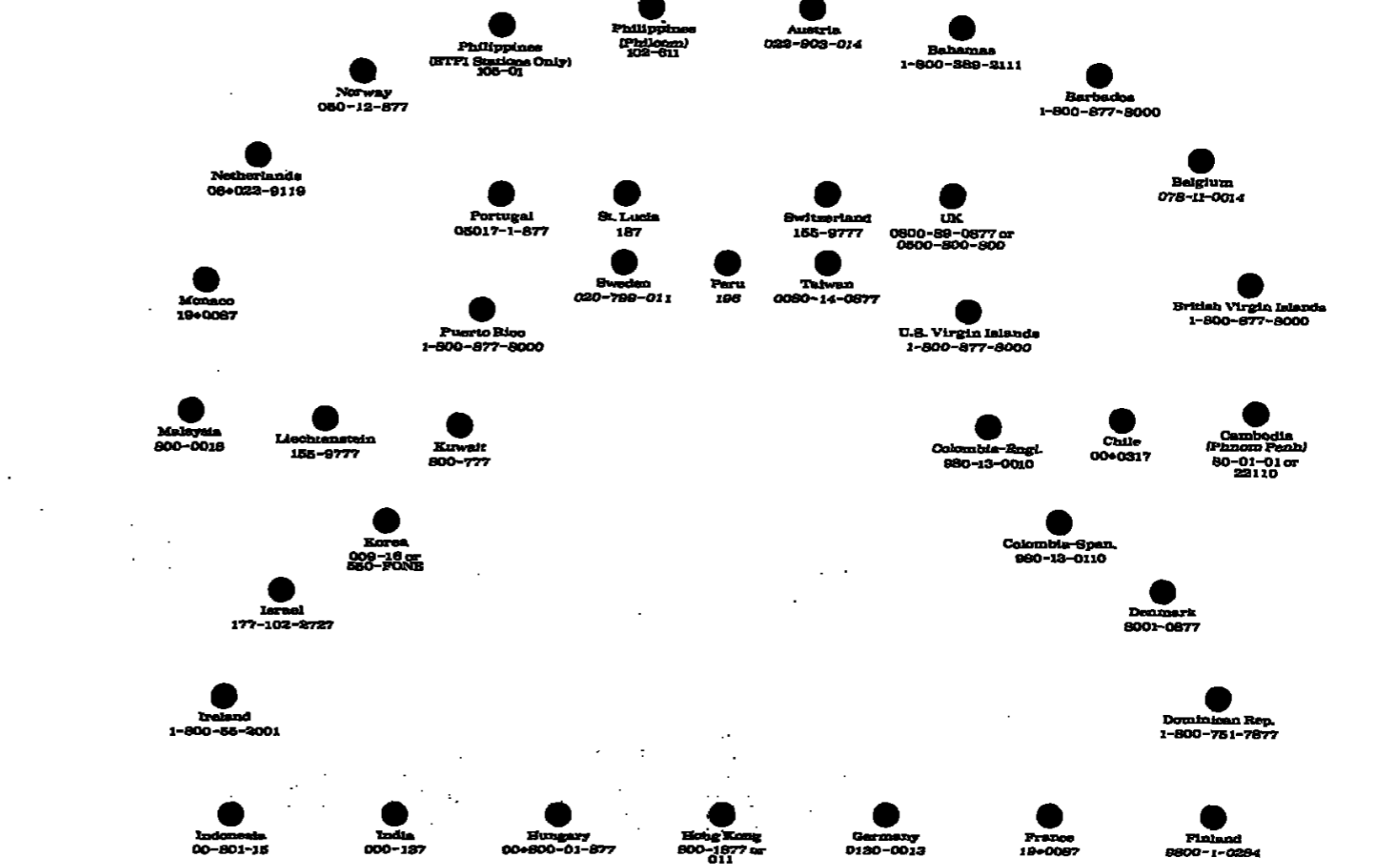
Many of these things have been achieved in communities with established Muslim populations such as Dearborn, a city of 87,000, more than 20 percent of them believed to be Muslim, abating Detroit.

Beyond simply protecting the Muslim way of life, some Muslims have strong hopes of exercising real influence on U.S. policies toward Islamic populations overseas.

"Muslims' primary concerns are the personal things," said Linda Wolbridge, assistant director of the Middle East Institute at Columbia University.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Before Turning to Force

By emphatically rejecting a compromise peace plan that even their closest allies had urged them to endorse, Bosnia's Serbian parliament...

What kinds of force are being considered. So does Congress, which needs to be given a chance to vote the president's proposed military commitment up or down.

Americans must also know which allies are prepared to contribute their own forces to any military action and what the nature of their contributions will be.

Some Americans feel an understandable emotional urge to punish the Bosnian Serbs with an immediate military strike.

Mr. Clinton is now confronted with an urgent and difficult international challenge. He cannot afford to duck his leadership responsibilities or delay his response.

The Korean Test Case

North Korea is the test case in which the rest of the world will demonstrate the ability — or lack of it — to enforce the rules against illicit nuclear weapons.

North Koreans refused. The inspectors pressed. The North Koreans, caught in a series of lies, responded by declaring last month that they would withdraw from the nonproliferation treaty altogether.

China has conceded patience in dealing with North Korea and opposed any international action. But the Chinese attempts at mediation are getting nowhere.

Like the Branch Davidians at Waco, the North Koreans have invested their leader with mystical properties and are following him blindly.

Their Grimiest Secret

All it takes is one good man or woman. In this case, the good man is Senator Paul Wellstone, a Senate outsider who is one of its most idealistic members.

Uncertain. Consider the attitude of House Speaker Thomas Foley. "I don't believe there's a serious problem," he said in a confusing statement.

Other Comment

Tough Talk From Clinton

President Bill Clinton has decided to commit the United States to hard-nosed diplomacy in Bosnia, demanding an end to Bosnian Serb "ethnic cleansing" and backing the demand with a threat of U.S. military force provided European leaders agree.

Clearly there will be no massive U.S. deployment like the one in the Gulf War. Nor should there be. But difficult issues remain concerning the makeup and mandate of any UN operation that begins before all guns have fallen silent.

In This Moment of Truth, Clinton Must Lead

By Anthony Lewis

BOSTON — If there was any doubt left, the Serbs have blown it away. They will not agree to a peace that keeps them from conquering all they want in Bosnia.

The stakes in Bosnia are high not only for America but for its West European allies, and for Russia.

Forces aimed a devastating artillery barrage at Zepa, one of the last Bosnian government enclaves in the eastern part of the country, filled with Muslim refugees.

The end of the fantasy that Serbian leaders can be coaxed into being reasonable puts President Bill Clinton in a hard place.

But the stakes are high also for U.S. allies in Western Europe, and for Boris Yeltsin's Russia. For if they say no to Mr. Clinton's request for military cooperation, there will surely be unhappy consequences for them in relations with the United States.

The first premise here is that, in practical terms, Mr. Clinton cannot take military action on his own. Constitutionally and politically, he must

have support from Congress and the public. Presidents Ronald Reagan and George Bush took several unilateral military actions that constitutional scholars thought exceeded their power.

The Bosnian situation cannot be analogized to Panama or Grenada, where presidents justified acting alone because of the need for speed and surprise.

But how can Mr. Clinton persuade his country that its interests in European order and human decency justify American intervention if the Europeans themselves will do nothing?

A collective response is essential if Serbian aggression is to be blunted. The Europeans will have to accept, however reluctantly, Mr. Clinton's desire to take forceful action.

Right there on the front page with Bosnia is a story about China, the world's weapon supermarket, breaking its promise not to sell missile technologies to Pakistan.

A Tidy, Focused, Limited Presidency? No Thanks

By A. M. Rosenthal

NEW YORK — For weeks, some of President Bill Clinton's closest advisers have been telling him that he has taken on too many problems.

The United Nations — will it forever be drumming up armies to protect shaky new countries? Or would it make more sense to insist that before membership is granted the United Nations should set conditions for stability and exercise trusteeship until they are met?

And while he is thinking about such things — not after, while — he should tell us what he intends to do about the really big one: the spread of nuclear and missile technology.

Some Clinton people have a distinct weakness for what psychologists call "Magic Think" — I want it to be, so it is. They wanted the president to be able to concentrate on economics.

The West quickly backed Croation and Slovenian declarations of independence. That made the Muslims' decision for an independent Bosnia inevitable.

In the next few years a dozen other secessionist movements may demand independence in Eastern

Europe and the former Soviet Union. What will we do? The president has to figure that one out now, not when the bombing decisions come around.

For instance: Racially, America is on the march backward. Should he go even another 100 days without saying, watch out America, black segregation is back, and back

where it can hurt most: the campus? The fact that it is by African-American decision does not make it less dangerous for them and other Americans.

Can the president keep virtually ignoring the one problem that runs up the highest costs for health care and crime and so deeply damages Americans' self-respect — addiction to narcotics, tobacco and liquor? Will the people do anything about it if the president acts barely interested?

Americans need a president precisely because the job is not simple and limited. It is big, adventuresome and wide-ranging but sometimes downright messy, just like his country. No marks for neatness.

The administration holds fast to the belief that Bosnia is not war-making either. It is peacekeeping. Mr. Clinton's social engineers believe that if you put the word "peacekeeper" on the uniforms of Americans, the war-makers are not going to shoot.

Yet 32 peacekeepers have already been killed in Bosnia (and their mission is far more passive than the one with which Americans will be charged).

Remember, U.S. troops went into Beirut twice. The first time, August 1982, there was a strategic rationale: to evacuate the Palestine Liberation Organization and thus end the Lebanon war.

Then we have a simple choice. More men, more dead, until the job is done, as in — another analogy — Vietnam. Or withdrawal, as in Beirut (and, in the end, Vietnam too).

There is one more analogy worth recalling: Suez. In 1956, Britain and France seized the Suez Canal, which Nasser had nationalized.

Bosnia, where the French and British view diverges deeply from Mr. Clinton's, has a similar potential. Mr. Clinton is trying to recapitulate Mr. Bush's Gulf War coalition. But Mr. Bush was able to line up Britain and France because they agreed to support military action in the Gulf.

They Came To Beirut to Keep Peace

By Charles Krauthammer

WASHINGTON — The Bosnia debate is becoming a duel of historical analogies. The administration, looking for ways to prepare the public for intervention in Bosnia, is fixating on Somalia, a relatively painless relative success.

Now, Somalia and Bosnia have only one thing in common. In neither conflict is a vital American interest at stake. They are both examples of humanitarian intervention. To be sure, Bosnia interventionists strain mightily to produce some U.S. national interest, such as the specter of dominoes falling across Eastern Europe all the way to the Baltic. Those efforts have come to little.

Considerations of national interest do not figure in current policy. Some interventionists are motivated by reason of national interest. But they do not imitate the Clinton administration. Mr. Clinton is reacting as Mr. Bush did in Somalia: to the pictures.

Why not? So if Somalia was not Bosnia? Because Somalia met the paramount criterion for purely humanitarian intervention: costlessness. The Somalia operation was a species of earthquake relief. In Somalia, U.S. troops provided a relief delivery service with a little poking on the side. But it was not war-making.

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In Bosnia, they don't. If Washington bullies them into war, there will be loud voices in Britain and France arguing that their blood and treasure are being expended to satisfy the Americans.

Even if we overcome our differences and go in together, think of what a long and costly NATO ground involvement in the Balkans will do to the alliance. A long and costly ground involvement in Southeast Asia nearly tore apart America. NATO is a far more fragile entity. It may turn out to be the ultimate casualty of the coming Bosnian war.

WASHINGTON — [From our New York edition:] The War Labor Board offered another argument today [May 8] for revision of President Roosevelt's "hold-the-line" policy, as applied to wage raises, by announcing it had no power to raise women's wages to men's rates for doing men's work.

LONDON — Referring in one of his dispatches to the new German tank, Mr. Percival Phillips says the latest model has not satisfied the German High Command. Mr. Phillips adds: "I hear that Hindenburg saw some of



Innocence Betrayed: European Socialism Is Dying

By William Pfaff

PARIS — There has been a moral collapse of the West European left, implicated in its near-total political collapse. The Socialist movement, which a half-dozen years ago was in power in nine of the 17 major West European nations, is a member of only six European governments.

In two of those it is threatened. In Italy, where the entire political system is on the brink of a quasi-revolutionary reconstruction, the Socialist Party is deeply compromised by corruption.

There is symbolism in the suicide last week — on May 1, the European workers' holiday — of France's former Socialist prime minister, Pierre Bergery. The symbolism is that of a certain innocence betrayed.

Franklin Roosevelt's New Deal and Lyndon Johnson's New Society were experimental and pragmatic, and not in the least ideological or utopian.

LONDON — The Queen arrived in London yesterday [May 8]. Her Majesty made the journey, as usual, in a special train, leaving Windsor about a quarter past eleven and reaching Paddington a few minutes before twelve. The arrangements incidental to Her Majesty's visits to the metropolises have become pretty well stereotyped by this time, and little or no deviation from the usual procedure is ever permitted to occur.

1918: Tanks and Morale

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INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen. JOHN VINOUCI, Executive Editor... LEWIS W. HUEBNER, Publisher... JOHN VINOUCI, Executive Editor... WALTER WELLS, News Editor... SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors... CARL GEWIRTZ, Associate Editor... ROBERT J. DONAHUE, Editor of the Editorial Pages... JONATHAN GAGE, Business and Finance Editor... RENE BONDY, Deputy Publisher... RICHARD H. MORGAN, Associate Publisher... JUANTIA I. CASPARI, International Advertising Director... ROBERT FARRÉ, Circulation Director, Europe International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (11) 46.37.93.00. F. RCS Numéro B 7302/1126. Commission Paritaire No. 61337. Directeur de la Publication: Richard D. Simeone. Chairman from 1958 to 1982: John Hay Whitney. Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel. 472-7768. Telex RS6928. Editor for Latin America: Robert D. Kramphill, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex 61170. Editor for U.K.: Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex 262009. Gen. Mgr. Germany: W. Lamberth, Friedrichstr. 13, 1000 Frankfurt. Tel. (069) 720753. Telex 416721. Pres. U.S.: Michael Conroy, 350 Third Ave., New York, N.Y. 10022. Tel. (212) 733-3840. Telex 427175. S.A. au capital de 1.200.000 F. RCS Numéro B 7302/1126. Commission Paritaire No. 61337. © 1993, International Herald Tribune. All rights reserved. ISSN: 0294-8002.

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Bosnia Frays European Nerves
Wary Military Leaders Weigh Feasible Roles

By Barry James
International Herald Tribune
With President Bill Clinton calling for tough and decisive action on Bosnia, political and military leaders in Europe remained wary Friday about committing further troops to anything but a strictly defined humanitarian mission.

UN Forces in Bosnia Caught in the Middle

By John Pomfret
Washington Post Service
SARAJEVO, Bosnia-Herzegovina — Squeezed between warring factions that have little interest in compromise and a headquarters in New York that commands it to accomplish almost impossible missions, the United Nations military operation in Bosnia is in danger of losing its credibility, UN officers said Friday.

Yeltsin Foes Push Own Draft of Constitution

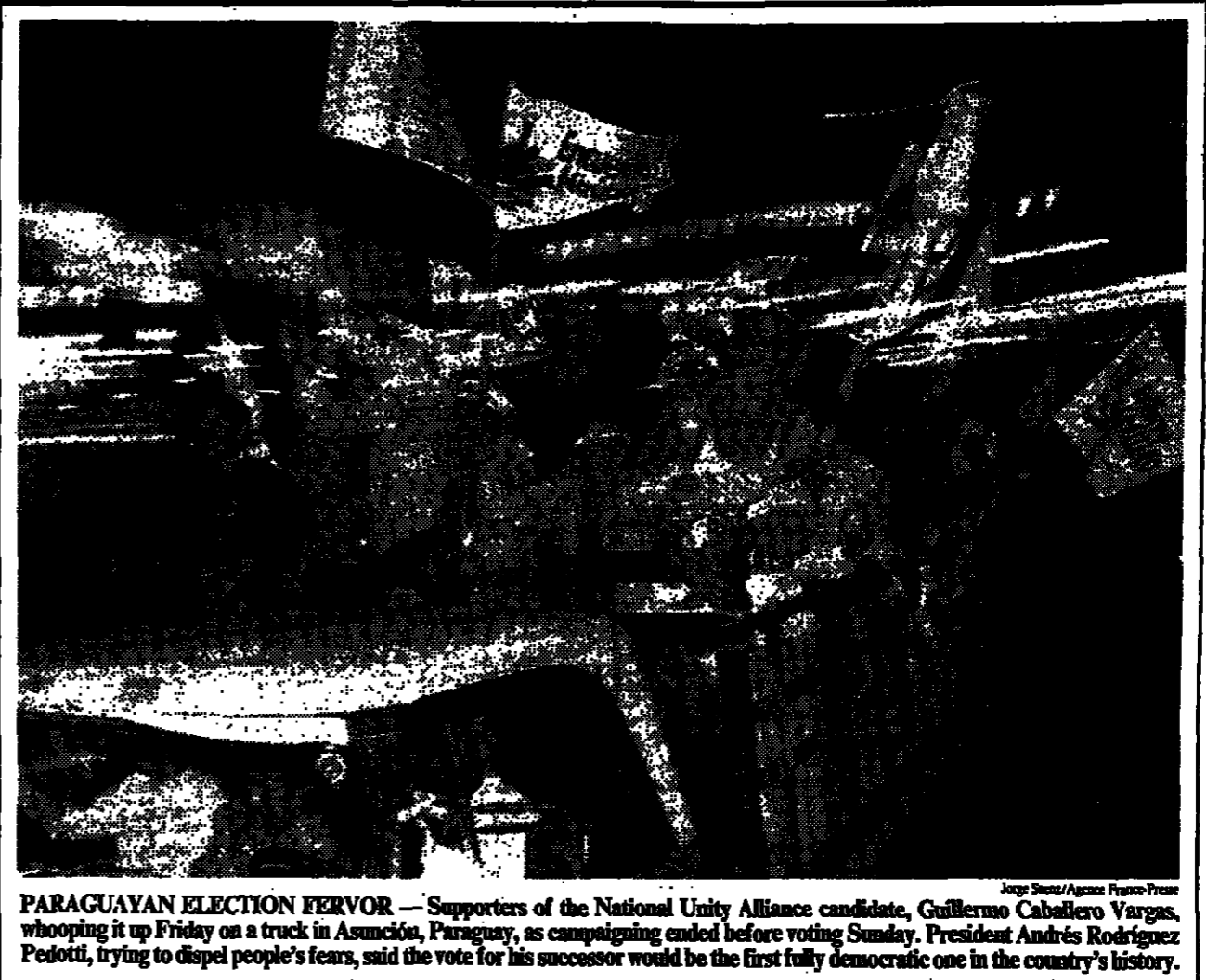
Compiled by Our Staff From Dispatches
MOSCOW — Leaders of the Russian parliament moved Friday to regain control of work on a new constitution by seeking support from regional leaders for their rival draft over that of President Boris N. Yeltsin.

CLINTON: Joint Approach

(Continued from page 1)
the self-styled Bosnian Serbian parliament defied Mr. Milosevic and rejected the peace plan.

Uruguay's Blacks Hit a Discordant Note

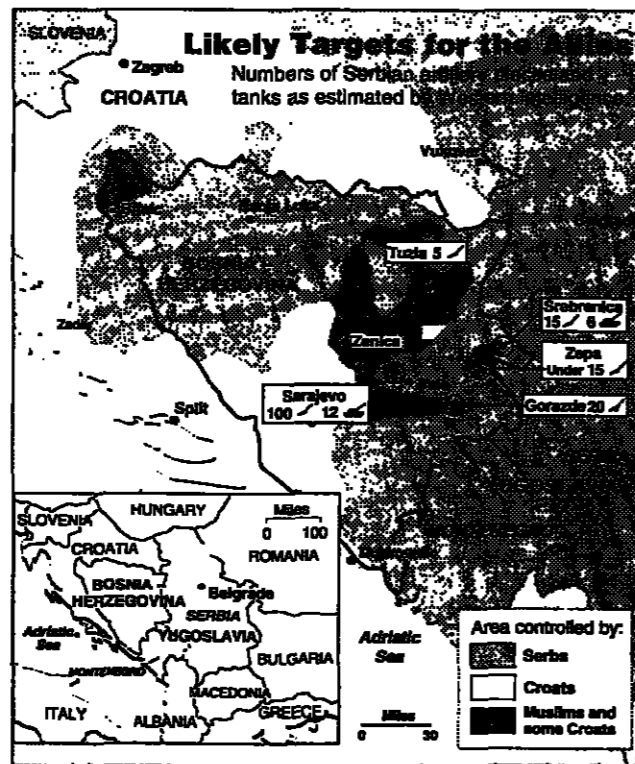
By Nathaniel C. Nash
New York Times Service
MONTEVIDEO — Beatrice Santos says that she does not face openly hostile racial comments every day, but there are enough to make her uneasy.



PARAGUAYAN ELECTION FERVOR — Supporters of the National Unity Alliance candidate, Guillermo Caballero Vargas, whooping it up Friday on a truck in Asunción, Paraguay, as campaigning ended before voting Sunday. President Andrés Rodríguez Pedotti, trying to dispel people's fears, said the vote for his successor would be the first fully democratic one in the country's history.

STRATEGY: Bombing Backed

(Continued from page 1)
why the Serbs were able to overpower the Muslims in the recent fighting at Srebrenica in eastern Bosnia, according to intelligence analysts, and highlights the Clinton administration's case for arming the Muslims.



Likely Targets for the Serbs
Numbers of Serb tanks as estimated by the U.S. Army
The Gulf War, the Bosnian Serbs do not have an effective network of radars, command posts, and surface-to-air missiles, though navy officials said the Serbs are continuing to work on such a system.

BLOODY: Major in New Trouble

(Continued from page 1)
Lamont, he said that despite the better economic news, "people are deeply suspicious that the wrong man is at the helm."

BOSNIA: Unobserved Blockade

(Continued from page 1)
Refugees, or UNHCR, said: "The conclusion of the report is that the Bosnians were using UNHCR trucks to transfer ammunition from Buzimir to Dobruja. This may have been going on for some time and there may have been a great deal of ammunition smuggled through."

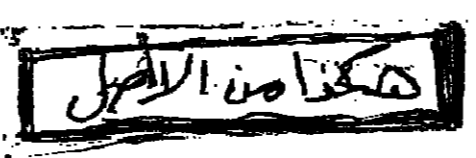
Hunt of Alabama Spared Prison

The Associated Press
MONTGOMERY, Alabama — A judge spared a former governor, Guy Hunt, from prison Friday, ordering him instead to pay \$211,000 and to perform 1,000 hours of community service for his felony ethics conviction.

Indian General Dies in Crash

Reuters
CALCUTTA — A senior Indian Army general and eight other people were killed in a helicopter crash in the Himalayan kingdom of Bhutan on Friday, military sources said.

The continuing Bosnian crisis
US-China trade tensions
Japan's widening surplus
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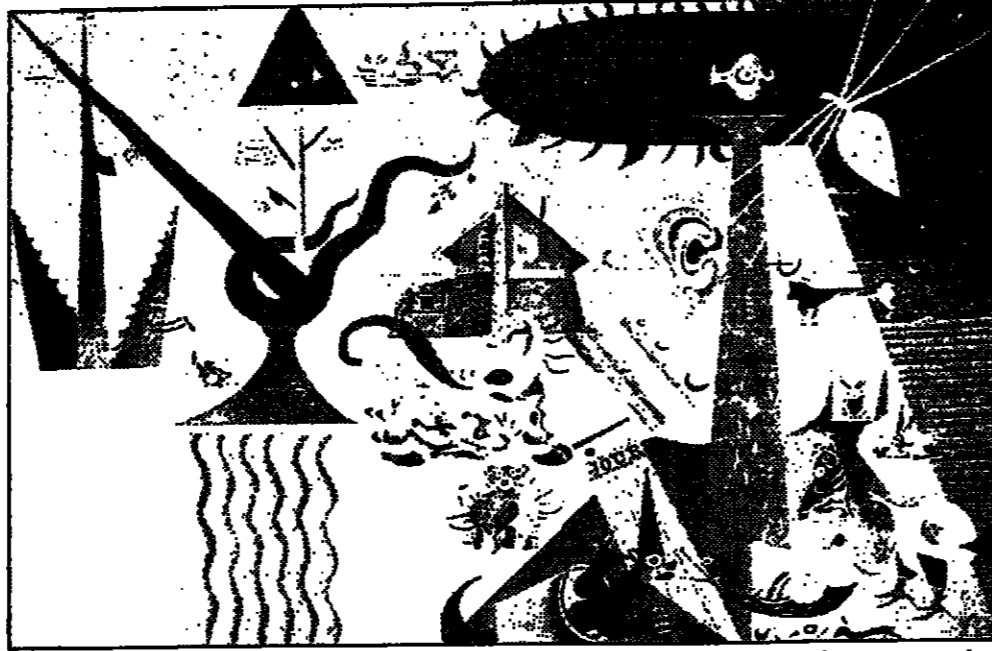


ART

In Retrospective, Barcelona Honors Native Son Miró

By Alan Riding  
New York Times Service

BARCELONA — Joan Miró was born here 100 years ago, but he spent most of the 1920s and 1930s in Paris and then settled in Palma, Majorca, where he died in 1983. Indeed, until he established the Joan Miró Foundation in Montjuïc Park overlooking this city in 1975, Barcelona had few of his works.



"Ploughed Field," executed by Miró in 1923-24 as he moved toward his distinctive style.

The retrospective, which is to run until Aug. 30, comprises only 180 of Miró's estimated 2,600 paintings, but these include the works that best define his passage through post-Impressionism, Cubism and Surrealism until he developed his distinct form of abstract painting.

While the retrospective includes many paintings donated by the artist or his widow to the Miró Foundation, Malet said the foundation's most important contribution to the exhibition was perhaps the 300 drawings and sketches from its 5,000-strong collection of what it calls the "Miró Papers."

Also donated by the artist, the "papers" — preparatory drawings on paper, newspaper and even toilet paper as well as collages — show how much time, thought and care went into paintings that might end up reduced to a splash of color, a black line and a symbol or

Travels and Courtship  
How Balzac Wooded Russian Countess

By Michael Gibson  
International Herald Tribune

PARIS — Traveling to Russia in the mid-19th century was no easy matter, as the novelist Honoré de Balzac discovered when he requested a visa to visit St. Petersburg in 1843. He wished to visit Countess Evelina Hanska, the woman he had been courting for years and whom he would ultimately marry.



In Paris show, a portrait of Countess Evelina Hanska.

An excellent 160-item exhibition at the Maison de Balzac documents the experience in detail, thanks to all manner of fascinating material made accessible by the opening up of Russian archives. Another show at the Mona Bismarck Foundation, devoted to the architecture of St. Petersburg, coincides with this one.

Balzac had been corresponding with Hanska and met her on several journeys abroad before her husband's death in 1841. Russian authorities, however, were less than eager to receive foreign visitors. They feared their corrupting influence. Even Balzac was considered an immoralist by some of the Russian censors and, worse of all, his friend the Marquis Astolphe de Custine had only recently published his book "La Russie en 1839."

Custine had gone to Russia expecting to find evidence to support his views touching upon the excellence of autocratic rule. Instead he was dismayed by what he found and his book turned out to be a bitter condemnation of a government based on fear, servility and repression.

As soon as he had been informed of Custine's book (before it was published), Balzac distanced himself. He was well aware that any visible connection with Custine could be harmful to Hanska, who owned a large estate in the Ukraine.

When he applied for a visa to travel to St. Petersburg in 1843, N. D. Kisselev, the Russian chargé d'affaires in Paris, sent a message to his chiefs suggesting that since Balzac was always notoriously short of funds, it might be worth suggesting that he write a refutation of Custine's book, but nothing came of it.

Balzac sailed to St. Petersburg and, in the elation of seeing Hanska again, was disposed to admire everything he saw. Yet his notes and letters were not always uncritical: the avenues of St. Petersburg are lifeless, he observed, and as for the people: "It's always the same walking sheepskin."

The exhibition contains a number of documents that do some justice to the city's spectacular beauty, and the show at the Bismarck Foundation (based on the archives of the St. Petersburg Academy of Fine Arts), displays an impressive collection of plans and drawings which give an idea of the titanic

drawings reveal an artist of great delicacy and sensitivity, unreminiscent of the flamboyant publicity seeker that Dalí increasingly became in his later career.

The drawings reveal an artist of great delicacy and sensitivity, unreminiscent of the flamboyant publicity seeker that Dalí increasingly became in his later career.

In Seville, Works Dalí Kept for Himself

SEVILLE — "Dalí's Dalis," the collection of his works that the late Salvador Dalí kept for himself, is being exhibited in Seville. It is the first time they have been shown outside his home town of Figueras.

According to Ramón Buixadós, the head of the Gala-Salvador Dalí Foundation in Figueras, the choice of the Andalusian capital was spiritually fitting because of Dalí's lifelong admiration for the Sevillian painter Velázquez, to whom he dedicated several of his works.

The exhibition, at the FOCUS Foundation until July 4, includes 45 paintings and 30 drawings spanning virtually Dalí's entire life, starting with a landscape painted when he was 15 in 1919, and including several paintings of his family, such as a beautiful portrait of his sister, Ana María.

Dining Out
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CARR'S
PARIS 6th
L'ARBUCI
PARIS 15th
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**ART**  
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## Contemporary Art Goes Into a Slump

**NEW YORK**—Things are changing as dramatically on the art scene as they are in the political arena. As contemporary art sales proceeded this week from Monday through Wednesday afternoon, it became increasingly apparent that a shakeup of accepted ideas and aesthetic values is about to take place.

This would not have been perceived three years ago when auction houses could sell anything they chose to merely by printing an

### SOUREN MELKIAN

estimated price bracket and stating their assessment of the work in entries that read like lectures to a classroom. Now that outsiders eager to shed money on art without precisely knowing why are gone, the mind-control system doesn't work any more.

Sotheby's was the first to be rudely made aware of this fact on Monday night when 37 of the 76 works of art offered fell dead. Sales added up to a modest \$9 million, leaving 47 percent of the total knockdown unsold.

Not without reason, collectors and dealers nearly all stressed how few works were really attractive. Those who own contemporary art are hardly tempted to sell at auction these days, and who would blame them? The likelihood is that they will get only a third or a quarter of the madly inflated prices that were being paid when the market was pushed to an artificial peak in 1989-90.

Sotheby's sale on Monday included a composition of blobs, scribbles, and stains done by Sam Francis in 1963. It was quite good within its own range and went up to \$288,500, more than the \$150,000 to \$200,000 estimate. But that cannot have greatly cheered the vendor. When previously sold at Sotheby's on Nov. 8, 1989, it had gracefully soared to \$990,000.

The dearth of significant goods for sale may account for Sotheby's biggest tactical mistake in its evening sale, including "Ten Paintings by Andy Warhol from the Collection of Frederick W. Hughes," plus two Warhols from other sources. To have 12 Warhols at one go was to take a big chance in any case. Making things worse, the 10 Warhols elicited no admiration from the cognoscenti, some wondering whether these were not discarded trials that had failed to meet with Warhol's approval. Only two found buyers. The fiasco had a dampening effect. It killed the two other Warhols that came later, including a self-portrait considered to be very good.

Dealers were furious at what they saw as a blunder damaging the market as a whole. Their ire was not soothed by some estimates that they considered to be unrealistically high. Such a contention certainly finds support in the two record prices achieved that

night. One is the \$470,000 paid for Mark di Suvero's construction of timber, "Che Faro Senza Eurydice." The other is the \$453,500 fetched by Sigmar Polke's set of four pictures painted in 1982 in a vein that could be characterized as Surrealist Abstractionism. Although both works now hold the world record for their respective authors, neither reached the low estimate given by Sotheby's.

There were more serious mistakes. Sotheby's Monday session boasted a Robert Rauschenberg called "Stop and Rebound." Dark and confused it carried an estimate set at \$400,000 to \$500,000. As it did not take a very retentive memory to recognize the painting already offered at Sotheby's on May 6, 1992, and unsold at \$225,000. This time, it went down at \$230,000. Nor was it difficult to recognize Malcolm Morley's "Fire Island with a Second Ending." It had turned up at Sotheby's London on July 2, 1992, when it remained unsold at \$62,000. It came up a second time at Sotheby's here in New York in November and was bought in at \$75,000. And it failed for the third time on Monday as the hammer fell at \$60,000, making the \$100,000 to \$150,000 estimate look utterly unreal.

In the circumstances, Sotheby's misfortune on Monday is hardly surprising. It was not a failure of the market but a failure of good judgment.

CHRISTIE'S, a day later, did not have that much more, but its sale included four excellent lots and it was not handicapped to the same extent by excessive estimates. The two factors combined made all the difference.

The sale got off to a brisk start, the first six lots all selling within the anticipated price bracket, no matter how diverse they all were. There was even a moment of enthusiasm over George Segal's plaster figure of a girl slumped on a green chair. It exceeded the high estimate by 20 percent as it ended its upward course at \$200,500.

But the moment Warhol appeared, the spell was broken. "Double Marilyn," a double photographic portrait of Marilyn processed in Warhol's usual silkscreen technique, was left stranded at \$200,000. So were the other three Warhols in the sale. Warhol admirers blamed it on a short-term psychological trauma caused by Sotheby's serial failure the day before.

Another possible explanation is that the controversy which raged among dealers as to whether the 10 Warhols from the Frederick Hughes collection at Sotheby's should be seen as truly representative Warhols or as failed attempts not accepted by the artist, has caused lasting harm to his image. That such a controversy should have taken place at all, no matter what answer art historians



A bright spot: Bacon's "Revolving Chair" study got \$1,212,500.

may ultimately give, highlights the limited nature of the creative act. A reassessment of Warhol's art may be under way.

The Warhol mishaps apart, it was striking to see how well the sale fared whenever anything held in high esteem by contemporary art admirers came up. Jackson Pollock's "Number 19, 1948," an abstract composition of swirling curves, became the star lot as it climbed to \$2,422,000. A bold and unusual composition done in 1980 by Jasper Johns sold for \$607,500 within the expected bracket. This is quite good for a painting that remained unsold at \$475,000 when last seen at a Sotheby's auction on Nov. 1, 1987.

For connoisseurs, there were some clever buys. Roy Lichtenstein's "White Brushstroke I" done in 1965 when he was coming into his own as a leader of the Pop movement is almost certainly one at \$728,500. Francis Bacon's "Study for a Portrait of a Revolving Chair" is probably another at \$1,212,500 — \$110,000 less than the low estimate.

Bargain-hunting was definitely the mood. It was fascinating to observe Leslie Waddington, Britain's premier dealer in Contemporary Art who is beginning to spend again "with great caution." Waddington, who is Barry Flanagan's dealer, bought two bronzes by the artist, "Ball and Claw," a rabbit standing on its rear legs, for \$37,500 and

"Hare on a Pyramid," a leaping hare perched on a pyramidal pedestal, for \$107,000.

His buying culminated on Tuesday night with "Black Spray," a hanging mobile by Alexander Calder, for which he paid \$277,500. The provenance stated in the catalogue is Waddington's own gallery from which it went to a collector. The dealer was therefore getting back works he had once owned. He did it again on Wednesday at Christie's, buying back a small sketch by Frank Stella (\$12,650) and a bronze by Mimmo Paladino (\$40,250). "Suono."

He bid on other lots, up to a limit, and then gave up when he thought they were not cheap enough. This determined, yet cautious buying, typical of the new mood, helped Christie's sell 38 of the 60 lots offered on Tuesday for a total \$10.6 million, 78 percent of the knockdown by value.

Waddington's comment is worth pondering. He says Christie's Tuesday sale "went well if you take out the Germans. Joseph Beuys is in trouble. Georg Baselitz is in trouble." The artists who suffered the most were those that were hyped the most. Then, after a pause: "With every recession, there is a change of taste and a questioning of the status quo." There is no doubt about it. Weak as it may seem to some, the contemporary art market has never been so fluid in many years. A new game is being dealt afresh.

## New Splendor in Venice

By Roderick Conway Morris

**VENICE**—The Correr Museum is not only one of Italy's finest art and historical collections, but enjoys one of its most splendid settings—the upper floors of two sides of St. Mark's Square. So splendid, in fact, that local politicians, among them the city's mayor and the former foreign minister, Gianni De Michelis, have been pressing to evict the museum to turn the rooms into government offices.

Despite the threat, Giandomenico Romanelli, the director of Venice's civic museums, has completed a major renovation of the museum, restoring its magnificent apartments, re-arranging the original collection and creating a new section with 250 additional exhibits.

A monumental staircase leads up to the museum. Previously the entry to the collection was via a side corridor, but now the visitor is confronted with double doors thrown open to reveal a stunning, meticulously restored Empire ballroom, permanently open to the public for the first time. Its construction was decreed by Napoleon I after his conquest of the city in 1797, as part of his projected palace. It was, indeed, Napoleon's invasion of the republic that gave birth to the Correr legacy.

Teodoro Correr was a Venetian aristocrat born in 1750. "He was already a collector before the fall of the republic," said Romanelli. "But he wasn't particularly rich. However, when the end came and all the rest of the aristocracy was desperately trying to sell, Correr went against the tide and started buying. He bought thousands of things, often at incredibly low prices. And, though he wasn't always very discriminating, he did manage to buy things of enormous interest and artistic value."

When Correr died in 1830, he left all his property to the city. The collection has been built upon since with donations and acquisitions, but the core of it remains Correr's original bequest. The first floor of the museum is devoted to items of historical interest and illustrative pictures, while the second is a gallery of painting and sculpture from the 13th to the 17th centuries, which include important works by Carpaccio, all three Bellinis, Tura, Antonello, and Flemish pictures.

He rescued many artifacts associated with the doge, from examples of his distinctive horned berretta, to a stylish broad straw hat made for him by the nuns of San Zaccaria, and his mourning robe—not black, but bright scarlet to recall the blood of Christ. In another room is a beautifully and intricately crafted model of the Bucintoro, the doge's sumptuous state barge, and the few gilded panels, statuettes and decorative reliefs to survive when it was burned by the French to melt down the gold with which it was encrusted.

The newly inaugurated suite of rooms displays a fascinating array of Venetian applied arts, from elegant glassware used by pharmacists, to an elaborate wig-dressing set, decorated with pictures by Giandomenico Tiepolo (found by Romanelli in a Rome antique market). The artifacts are cleverly brought to life by colorful contemporary paintings commissioned by the various trade guilds showing their members at work. The strangest products of all are the towering dogs worn by Renaissance Venetian women. Some were so tall that the wearer had to be supported on either side in order to walk.

It was partly the presence of platform dogs that led to the dubbing of the Correr's most famous Carpaccio as "The Two Courtesans." The picture—in reality two eminently respectable, fashionably-dressed noblewomen—forms part of a special exhibition (upstairs, until May 25) of more than 20 paintings about to be returned to the main gallery after cleaning and conservation work.

The most exciting revelation of this restoration program is that a Carpaccio bird-hunting scene on the lagoon, now in the Getty Museum in Malibu, California, is (as has been suggested) the top half of this Correr Carpaccio. The removal of grime and of later retouching has shown beyond doubt that the star of the myrtle flower emerging from the pot on the balcony by the young woman matches perfectly with its continuation into the Malibu picture, and that the curvature of the warped wood on which the pictures are painted is also identical. So the top section might now be viewed, from the Correr point of view, as "the one that got away"—since by the time he bought the Carpaccio the hunting scene had been cut away and taken to Rome by Napoleon's uncle.

Roderick Conway Morris lives in Italy and writes for the The New York Times and the Spectator.



A 1490-95 portrait at the Correr.

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## U.S. Reconsiders Options On Business-Tax Overhaul

By Steven Greenhouse  
*New York Times Service*

WASHINGTON — With the proposed investment-tax credit in deep trouble in Congress, U.S. administration officials are considering several other options to spur the economy, including new tax breaks for small business and a smaller increase in the corporate income tax.

Another option under consideration, officials said on Thursday, would be to delay the proposed increases in personal and corporate income taxes so that they take effect Jan. 1, 1994, instead of being retroactive to this past Jan. 1.

Robert E. Rubin, assistant to President Bill Clinton for economic policy, said Thursday that in place of the investment tax credit, the White House was considering a proposal allowing companies to write off more of their investments in the year they make them.

A senior official said the administration was also considering whether to recommend increasing the 34 percent corporate income tax by one percentage point, rather than the two percentage-point increase it previously proposed.

Business executives have complained that raising the corporate income tax to 36 percent would hurt investment, and say that the smaller increase would tend to harm the economy less.

Many economists and corporate executives say the administration's proposal to make the

income-tax increases effective this year has hurt consumer confidence and slowed spending.

But government officials insist that overall, their deficit-reduction plan, including the proposed tax increases, has increased confidence. They acknowledge that Americans might feel freer to spend if the tax increases were delayed.

Mr. Rubin said that if the investment tax credit were to die in Congress, the administration still wanted to use the money that would have financed it to spur businesses and economic growth. The administration estimates that the credit would cost a total of \$21 billion from 1994 to 1997.

Mr. Rubin, though, denied that the measure was dead and argued that it would be needed to give the economy a boost when the president's deficit-reduction plan kicks in.

"We think there are very good productive uses for this money if the decision is made not to go with the investment tax credit," he said, adding he did not think that the money for it should be used for deficit reduction.

De Rostenkowski, chairman of the House Ways and Means Committee, and other prominent members of Congress have criticized the investment tax credit on the ground that it favored certain industries and that companies would start making business decisions simply to take advantage of it.

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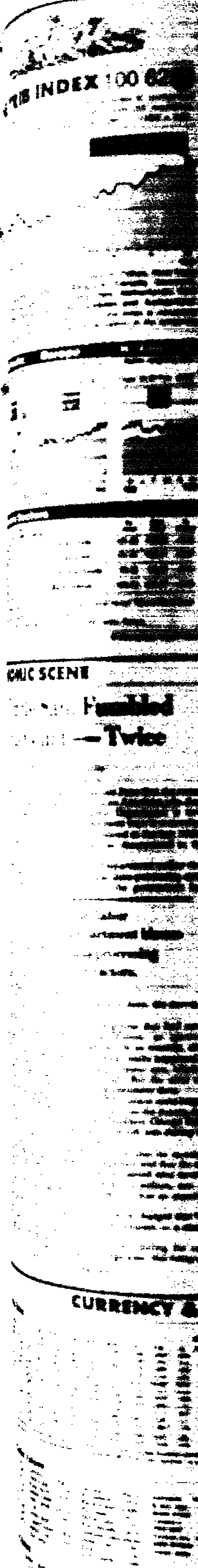
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IBM	112.50	111.50	112.00	112.00	+0.50
MSFT	45.00	44.50	44.75	44.75	+0.25
ORCL	38.00	37.50	37.75	37.75	+0.25
INTL	10.00	9.75	9.87	9.87	+0.12
DISC	25.00	24.50	24.75	24.75	+0.25
WMT	35.00	34.50	34.75	34.75	+0.25
AMZN	18.00	17.50	17.75	17.75	+0.25
GOOG	100.00	99.50	99.75	99.75	+0.25

Symbol	High	Low	Open	Close	Change
IBM	112.50	111.50	112.00	112.00	+0.50
MSFT	45.00	44.50	44.75	44.75	+0.25
ORCL	38.00	37.50	37.75	37.75	+0.25
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GOOG	100.00	99.50	99.75	99.75	+0.25



75 INDEX 100 82

CRUC SCENE  
Fumbled  
Twice

CURRENCY

(Continued on page 9)

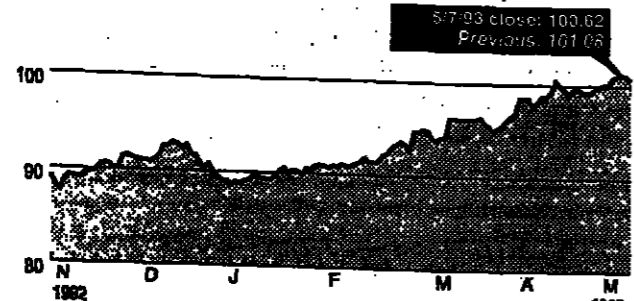


# BUSINESS

International Herald Tribune, Saturday-Sunday, May 8-9, 1993

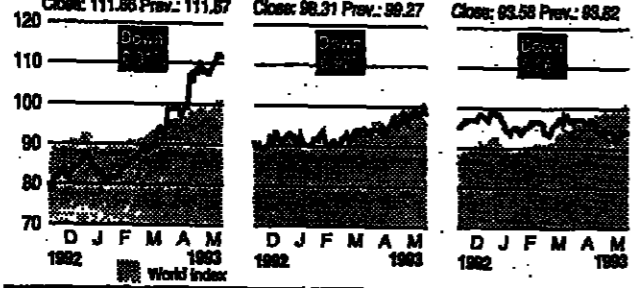
## THE TRIB INDEX 100.62

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Hong Kong, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Close	Prev.
Asia/Pacific	111.89	111.57
Europe	98.31	98.27
N. America	93.58	93.62



Industry Sector	FL	Pct. Chg.
Energy	100.85	102.18 -1.20
Utilities	110.77	112.22 -1.29
Finance	102.30	102.82 -0.37
Services	103.87	104.54 -0.61
Capital Goods	101.86	102.09 -0.23
Raw Materials	101.91	102.91 -0.97
Consumer Goods	89.32	89.36 -0.04
Miscellaneous	103.78	103.27 +0.49

For more detailed information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

## U.S. Firms Join China Trade Fray Lobbying Heats Up to Save Beijing's Favored Status

By Calvin Sims  
*New York Times Service*

While the debate in Washington is focused on China's human-rights policies and arms sales abroad, many American companies are vigorously lobbying the White House and Congress for an extension of China's trading privileges, on which President Bill Clinton must make a decision by early June.

The companies say that billions of dollars in exports are at stake, as well as thousands of jobs. Trade analysts estimated that exports to China created about 150,000 jobs in the United States last year.

Providing the lobbyists with ammunition, China has been an American shopping spree in recent months, ordering more than \$1 billion in airplanes, cars, telecommunications equipment, oil equipment, fertilizer and more. If China is denied the low tariffs it now enjoys, those deals would collapse.

These are among the most recent negotiations between China and the United States:

- An \$800 million agreement to buy 21 jetliners from Boeing Co., the largest foreign airplane order this year. China has agreed to buy or lease 215 airplanes worth a total of \$9 billion in the next several years. Aerospace goods are the largest U.S. export to China, accounting for \$2.1 billion in sales last year.
- Orders for 4,600 vehicles each from General Motors Corp., Ford Motor Co. and Chrysler Corp., with a total value of \$160 million.
- China National Petroleum Corp. ordered \$200 million of oil-drilling and exploration equipment from companies in Louisiana, Texas and Washington, and hired Halliburton Co. of Dallas to help with exploration and production.
- The Chinese Space and Aeronautics Administration is negotiating with Hughes Aerospace, a division of GM, for satellites that could cost up to \$800 million.
- The Chinese deputy minister of trade is currently in the United States, shopping for wheat and phosphate fertilizers, while the president of China's National Coal Corp. is on a buying mission, discussing grain deals with U.S. companies and the Agriculture Department.
- During the election campaign, Mr. Clinton denounced President George Bush's decision to extend China's most-favored-nation trade status. He said he would agree to such privileges only if China made progress on ending human-rights violations, limiting weapons proliferation and reducing its trade surplus with the United States.

Administration trade officials say they expect Mr. Clinton to set some conditions on renewal, which they hope the Chinese will accept. Congress would then have three months to override the president's decision.

[A senior Chinese trade official said Friday that Beijing was prepared for Washington to attach conditions to China's most-favored-nation trading status, Bloomberg Business News reported from Beijing.]

[The head of the powerful Economics and Trade Commission, Wang Zhongyuan, said he hopes that most-favored-nation status would be approved unconditionally, but that loss of the status would not harm China's economic development.]

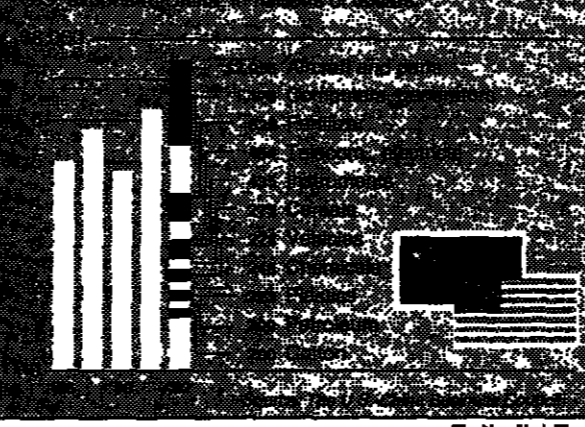
["We do regard the U.S. market as a very important one, although it is only one of the important markets for our exports," Mr. Wang said.]

In the interim, many U.S. executives are nervous.

"President Clinton visited Seattle and promised that he was going to work hard to help keep aerospace jobs in America," said Lawrence W. Clarkson, vice president for planning and international development at Boeing.

"If he does not renew China's status or places unacceptable conditions on it," Mr. Clarkson

### What America Sells to China



## Manila Casts Shadow Over Local Firms

By Kevin Murphy  
*International Herald Tribune*

MANILA — It says it will remain a passive investor, but moves by the Philippine government to assert control over the boards of two local giants, San Miguel Corp. and Philippine Long Distance Telephone Co., have given investors some pause.

Many wonder whether President Fidel V. Ramos's business plan for the complex legacy of the Marcos years—a collection of corporate assets worth perhaps 15 percent of the Philippine gross domestic product—will mean progress or a throwback to the country's endemic cronyism.

"I do know some institutional investors, particularly overseas, are concerned," said Ramon Kaligting of Ancor Hagedorn Securities. "PLDT has lagged the market since the government took more seats on the board."

At the end of last month, six government representatives were elected to the phone company's 11-person board, and eight government representatives were elected to the 15-person board of San Miguel.

"The government wants to reassure foreign investors that it does not intend to nationalize or interfere with management," Magangaloo Gunigundo, chairman of the Presidential Commission on Good Government, said recently. "I want to see that no misuse of the assets occurs."

Mr. Gunigundo heads a body set up to chase and manage assets alleged to have been controlled by former President Ferdinand E. Marcos and family, or his cronies, before the regime was toppled in 1986. His office controls shares in a host of Philippine companies until their true ownership is determined by the Philippine courts.

Speaking of the brewer San Miguel and the telephone unit, Mr. Gunigundo said "Management has not been changed in either company."

The Ramos government has pledged a complete sell-off of its stakes in PLDT and San Miguel if it gains final control of the shares. It has already discussed privatizing its 46 percent stake in the Philippine National Bank.

Such a move would be in line with Thursday's announcement that the government would dispose of 1 billion pesos (\$57 million) of shares in Manila Electric Co. and up to 200 million pesos of Oriental Petroleum Co. shares.

However, the issue of the shares' ownership has been mired in the legal system since shortly after Mr. Ramos's predecessor, Corason C. Aquino, came to power in 1986. Few observers expect a resolution any time soon.

"It would have been easier to sort this out before the new constitution in 1987," said Dante Canlas, deputy director of the National Economic Development Authority. "Now it's like trying to put toothpaste back in the tube."

In the meantime, observers doubt that the Ramos government can resist the temptation to tinker with PLDT or San Miguel. Both companies have been accused of stifling economic growth in the Philippines through strangleholds on their respective markets.

PLDT is the more likely target for guidance. It operates about 1 million telephone lines, but

## Michelin Adds More Job Cuts To French Woes

Compiled by Our Staff From Dispatches

PARIS — Michelin, the world's biggest tire maker, said Friday it planned to cut 2,950 jobs in France this year and next and redeploy a further 1,900 in cost cuts designed to confront deep recession in the European transport business.

The company said it hoped to achieve its job cuts through voluntary layoffs. If not, there would be compulsory layoffs.

Of the targeted jobs, 1,500 will be at Michelin's main plant in Clermont-Ferrand and the others at 16 sites nationwide. An additional 1,900 employees will lose their current jobs, but will be offered the chance to retrain for other positions within the group or be offered permanent part-time jobs.

The announcement by Compagnie Générale des Etablissements Michelin SCA, a flagship of French industry, underlined growing economic gloom in France, where unemployment stands at 10.7 percent.

Meanwhile, the National Statistics Institute said its quarterly survey of industry showed that industrial demand had fallen further in the first quarter and was likely to keep declining.

The institute said that top managers of companies remained "very pessimistic" about the outlook for employment and that more jobs were "likely in all sectors of industry." It also described the outlook for the car industry as grim.

The European Carmakers Association said that European car sales fell 17.8 percent during the first four months of the year. Production of trucks in France also was down by about one-third in the first quarter.

Michelin said the job cuts were part of its previously announced plan to cut costs in the next two years by 3.5 billion francs (\$657 million) worldwide.

The company cut 16,000 jobs in 1991 and 1992. Michelin said it employed 30,192 people in France at end-1992. It was the first time that Michelin had disclosed the size of its payroll, a move that highlights the group's recent trend toward greater transparency.

But the company conceded that it had not been prepared for the kind of recession that has hit the transport industry in Europe since the middle of 1992 and sharply reduced sales.

"A similar deterioration in sales has never happened before," Michelin said.

Michelin said sales of car tires by its units in France fell 14 percent in terms of metric units during the first quarter. It gave no totals or comparisons. Sales of van tires fell 17 percent, truck tires were down 24 percent, while tires for heavy equipment fell 2 percent.

Michelin's reference to possible compulsory layoffs, until now extremely rare in France due to strong labor-protection laws, underlined the economic difficulties faced by France as it sinks deeper into recession.

The company did say, however, that the number of job cuts could be reduced if more workers volunteered to work part-time.

Share analysts have said they expect Michelin to show a loss of up to \$1 billion in profits this year, after net profit of 79 million francs in 1992 on sales of 66.8 billion francs.

They also have said they expect Michelin's cost-cutting program to lead to 10,000 job losses worldwide. (Reuters, AP, Bloomberg)

## Paris Stocks Slide 2.2% As Sales Dip

Bloomberg Business News

PARIS — French stocks dropped 2.2 percent Friday, with the plunge triggered by a series of poor first-quarter sales figures that gave investors the jitters, traders said.

The CAC-40 index of blue-chip stocks fell 41.92 points to 1,878.57. The slide came a day after a government report said that the economy would shrink this year. Companies reporting poor sales included Carmouster and Saint Gobain.

Traders said there was a lot of buying earlier in the year on anticipation of lower French interest rates. Now that rates have come down, investors are selling on the realization that lower rates will not be a short-term solution for the economy.

"The rate cuts came too late," said Chris Jacomino, a trader at Banque Worms. He said investors believed it would be two years before the cuts showed up in profit figures.

## ECONOMIC SCENE

### How Uncle Sam Fumbled The Job Count — Twice

NEW YORK — Having declared last June that the recent recession had eliminated more American jobs than anyone had realized, the Labor Department is now conceding that view. The department says it overstated by 540,000 the number of jobs that were created in the late 1980s. And then it overstated how many jobs had disappeared in the recession.

Not until early this year did the Labor Department realize that any of these figures were incorrect, and that data-processing companies that deliver payroll information to the government had miscounted.

Among other things, they were counting psychics rather than people getting the checks — so that a person getting a paycheck and then an overtime check and then a bonus check came out in the data as three workers. The Labor Department's Bureau of Labor Statistics will formally correct the job numbers in June, the month it sets aside for correcting mistakes.

"We blamed the recession for eliminating jobs that had never existed in the first place," said Thomas Prewitt, an associate commissioner of the bureau. "It just dawned on us recently, after we had gone through millions of records, what really happened."

The corrections will not affect the unemployment rate, which is derived from a separate survey of households. But the error will raise fresh doubts about the reliability of government data.

In addition, it may have given President Bill Clinton some help in winning the election. The "accounting mistake," as the bureau now labels it, came at a bad moment for then-President George Bush. Until last June, the bureau had calculated the job loss during the 1990-1991 recession at 1.2 million people.

When last June rolled around, the bureau ruled that the recession had cost more jobs than earlier data had suggested, and that the real job loss during the recession, which officially lasted nine months (from June 1990 to April 1991), had been 1.7 million, not 1.2 million. The bureau had issued what it now says was an incorrect correction.

Seizing the new 1.7 million figure, Mr. Clinton charged that Mr. Bush had callously minimized the recession's impact — a charge that no longer stands up so well.

"Numerous claims made about the economy during the campaign by candidate Clinton were highly exaggerated, this being one

## Temp Jobs Led a Modest Rise In U.S. Employment for April

WASHINGTON — The U.S. unemployment rate held at 7 percent for the third month in a row in April as a modest number of jobs were created, mostly in business services and many of them temporary, the government said Friday.

The Labor Department said 119,000 nonfarm jobs were created in the month. Payrolls had fallen by 9,000 in March, when economic activity was hit by a fierce storm that slammed the East Coast.

In summary, April's data indicate more of the same slow improvement we have seen in the labor market since early last year," said William G. Barron Jr., deputy commissioner for the Bureau of Labor Statistics.

Financial markets had little reaction to Friday's equivalent data, though the dollar gained some ground.

Recent March figures, particularly for the weather-sensitive retail and construction sectors, were fairly gloomy and had prompted market speculation that the Federal Reserve might take steps to lower interest rates.

The government's March index of leading economic indicators took its biggest dive since the 1990-91 recession. Further, economic growth in the first quarter slowed to an anemic 1.8 percent annual rate, from 4.7 percent in the final quarter of 1992.

A report on Wednesday by the 12 banks of the Federal Reserve System was cited by some economists as evidence that the March downturn was an anomaly. The banks' survey through the first three weeks of April showed the economy improving modestly. But it saw little improvement in the stagnant job market.

So far this year, jobs have been created at a modest pace of 112,000 per month, the Labor Department said Friday.

Its April report said that after cutting overtime hours in March, manufacturers had now resumed a recent pattern of working current employees longer instead of hiring new workers. The manufacturing working week lengthened to 41.5 hours last month, from 41.2 hours, and average factory overtime grew to a 25-year high of 4.3 hours a week, from 3.9 hours in March.

But David Wyss, an economist at the research firm DRI-McGraw Hill in Lexington, Massachusetts, welcomed the trend. "That's encouraging because in manufacturing first you put people on overtime, then you go the next step to hiring more people," he said.

Much of the April increase in hiring was in business and health services, which included the many temporary workers. Retail employment rose by 21,000 last month, more than offsetting the 19,000 decline in March.

Since the start of 1992, the services industries have accounted for nearly 1 million of the 1.2 million net increase in jobs nationally, the Labor Department's April report said.

Construction employment, which had dropped by 59,000 in March, fell by another 10,000 last month as heavy rain kept a lid on normal spring hiring.

The department's household survey for April showed that the number of unemployed workers edged up slightly to 8.93 million. The labor force — those working and those seeking jobs — slipped by 88,000 to 127.34 million. (Reuters, AP)

## CURRENCY & INTEREST RATES

Cross Rates	Par 2	Par 3	Par 4	Par 5	Par 6	Par 7	Par 8	Par 9	Par 10
Germany	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Japan	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
France	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67
UK	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
Canada	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Switzerland	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33
Australia	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
New Zealand	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
South Africa	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Italy	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Spain	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67
Portugal	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67
Sweden	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76
Norway	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76
Denmark	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76
Finland	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76	4.76
Greece	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67
Other Dollar Values	Par 1	Par 2	Par 3	Par 4	Par 5	Par 6	Par 7	Par 8	Par 9
Australia	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Canada	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
France	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67
Germany	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Italy	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Japan	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
UK	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
US Dollar Values	Par 1	Par 2	Par 3	Par 4	Par 5	Par 6	Par 7	Par 8	Par 9
1-month T-bill	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month T-bill	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month T-bill	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year T-bill	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Treasury note	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Treasury note	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Treasury note	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Treasury bond	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Treasury bond	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Treasury bond	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Fed funds rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Fed funds rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Fed funds rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Commercial paper	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Commercial paper	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Commercial paper	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Eurodollar	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Eurodollar	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Eurodollar	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month LIBOR	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month LIBOR	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year LIBOR	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Prime rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Prime rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Prime rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Swap rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Swap rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Swap rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
3-month Futures rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
6-month Futures rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
1-year Futures rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

## SGS Said Close To Chip Accord With Mitsubishi

PARIS — SGS-Thomson Microelectronics BV, the French-Italian chipmaker, and Mitsubishi Electric Corp. will soon sign an accord to cooperate in developing flash-memory chips, a source close to the talks said Friday.

French newspapers said the accord could be signed Tuesday. But a spokeswoman for SGS-Thomson said she could not confirm an accord had been concluded.

A spokesman for CEA Industrie, SGS-Thomson's main state shareholder, said an accord had yet to be signed.

SGS-Thomson said the market for flash chips, which retain data even when power is switched off, would grow to \$500 million this year and to \$2.5 billion by 1996.

## The Government of the Kingdom of Swaziland Ministry of Works & Construction Tender Notice

The Government of the Kingdom of Swaziland has received loans from the African Development Fund (ADF) and the African Development Bank (ADB) in various currencies towards the cost of the Transport Sector Project. The project includes the construction of the above road, brief details of which are given below. Part of the proceeds of the ADF loan will be applied to eligible payments under the contract(s) to

which this information applies.

The works comprise the construction, to dual carriage standard, of the existing mountainous road from Mbabane to Ezulwini, 7.8 km, and construction of a new two lane road with earth works for a dual carriage way with paved shoulders between Ezulwini and Matsapha, 18.5 km.

Established Contractors from member countries of the African Development Bank are invited to tender. A most-qualified procedure will be followed to check eligibility, capacity and capability of tenderers. Applications will be considered from principals who are prepared to undertake full responsibility for carrying out this work. Joint ventures or consortia of two or more firms are required to submit qualification data as required in the relevant sections of

the tender documentation for each member firm together with an affidavit signed by all parties of the proposed joint venture or consortium declaring their intention to form a partnership.

Applicants must demonstrate previous experience in road work of a similar nature. Tenders may be submitted for either Section I or Section II or for both.

questions submitted by tenderers.

E. Hlophe  
Principal Secretary  
Ministry of Works and Construction  
P.O. Box 38, Mbabane, Swaziland

## SGS Said Close To Chip Accord With Mitsubishi

PARIS — SGS-Thomson Microelectronics BV, the French-Italian chipmaker, and Mitsubishi Electric Corp. will soon sign an accord to cooperate in developing flash-memory chips, a source close to the talks said Friday.

French newspapers said the accord could be signed Tuesday. But a spokeswoman for SGS-Thomson said she could not confirm an accord had been concluded.

A spokesman for CEA Industrie, SGS-Thomson's main state shareholder, said an accord had yet to be signed.

SGS-Thomson said the market for flash chips, which retain data even when power is switched off, would grow to \$500 million this year and to \$2.5 billion by 1996.

MARKET DIARY

Bonds Lose Ground As Investors Balk

NEW YORK — Long-term bond prices slumped Friday as small investors signaled they would have little interest in the government auction of 30-year issues next week.

N.Y. Stocks

On Thursday, short-term yields, however, edged lower. In the stock market, the Dow Jones industrial average fell 4.71 points, to 3,437.19. Falling New York Stock Exchange issues outnumbered gainers by a 9-to-8 ratio.

Fears on Bosnia Rouse Dollar From Job Blues

NEW YORK — The dollar climbed Friday amid nervousness over the possibility of U.S. military involvement in Bosnia, recovering from earlier weakness after a neutral unemployment report for April.

Foreign Exchange

marks after Labor Department data showed that nonfarm payrolls rose by a lower-than-expected 119,000 last month. But that support level soon proved impotent, and dealers said the dollar quickly rebounded as traders sold marks.

"British and German bond markets have broken down badly over the last two weeks, and yields in most of the major bond markets of the world have been moving up over the last two months. The global trend may finally be affecting our bond market," he said.

European stocks also are declining. "At the same time, the Japanese market has been picking up." This could mean money has been moving to Japan from U.S. and European equities, "and also into stock markets like those of Canada and Australia, because they have resource economies that benefit from such factors as a pick-up in gold prices."

Royal Dutch/Shell was the most active issue on the New York Stock Exchange, falling 1/4 to 87 1/2. Analysts said investors misinterpreted news that its rival, RJR Nabisco, was letting expire a one-month discount on its inexpensive Monarch cigarettes.

Analysts said the tobacco-price war is over premium brands, not the discount sector. (UPI, Bloomberg, Knight-Ridder, Reuters)

Even though it fell short of expectations, the jobs figures were strong enough to keep the dollar from languishing for long. "The numbers show that we have slow growth at least," said Peter Dembinski, senior trader at Bank Julius Baer.

In late London trading, the dollar was mixed as traders and investors assessed the longer-term implications of the U.S. data. Jan Blanco, economist at Nikko Europe, said: "The markets didn't seem quite sure how to take the numbers. The headline numbers were slightly positive, but a lot of the details were fairly worrying. The 65,000 drop in manufacturing payrolls, for example, was extremely weak, and these are quality long-term jobs."

The U.S. unit was at 1.5800 DM, up from 1.5795 DM Thursday, and at 110.125 yen, down from 110.225. Repeated intervention from the Bank of Japan buoyed the U.S. unit during Asian trading hours. The dollar also stood at 1.4203 Swiss francs, down slightly from 1.4205, and at 5.3250 French francs versus 5.3255.



Table titled 'NYSE Most Active' listing top trading volumes for various stocks on the NYSE.

Table titled 'AMEX Most Active' listing top trading volumes for various stocks on the AMEX.

Table titled 'NYSE Diary' listing price changes for various NYSE stocks.

Table titled 'Amex Diary' listing price changes for various AMEX stocks.

Table titled 'NASDAQ Diary' listing price changes for various NASDAQ stocks.

Table titled 'Dow Jones Averages' showing high, low, and close prices for various market indices.

Table titled 'Standard & Poor's Indexes' showing high, low, and close prices for various S&P indices.

Table titled 'NYSE Indexes' showing high, low, and close prices for various NYSE indices.

Table titled 'NASDAQ Indexes' showing high, low, and close prices for various NASDAQ indices.

Table titled 'AMEX Stock Index' showing high, low, and close prices for the AMEX stock index.

Table titled 'Dow Jones Bond Averages' showing high, low, and close prices for various bond averages.

Table titled 'Market Sales' showing volume and price for various market sales.

Table titled 'N.Y.S.E. Odd-Lot Trading' showing buy and sell volumes for odd-lot trading.

Table titled 'S&P 100 Index Options' showing various options data for the S&P 100 index.

Table titled 'EUROPEAN FUTURES' showing high, low, and close prices for various European futures contracts.

Table titled 'Food' showing high, low, and close prices for various food futures contracts.

Table titled 'Metals' showing high, low, and close prices for various metal futures contracts.

Table titled 'Financial' showing high, low, and close prices for various financial futures contracts.

Table titled 'Grains' showing high, low, and close prices for various grain futures contracts.

Table titled 'Livestock' showing high, low, and close prices for various livestock futures contracts.

Table titled 'Cattle' showing high, low, and close prices for various cattle futures contracts.

Table titled 'Pork' showing high, low, and close prices for various pork futures contracts.

Table titled 'Hogs' showing high, low, and close prices for various hog futures contracts.

U.S. / AT THE CLOSE

Revlon Unit Cuts Loss to \$49 Million WASHINGTON (Bloomberg) — Revlon Consumer Products Corp. said Friday its net loss in the first quarter of 1993 had narrowed to \$49 million from \$180 million a year earlier, based on preliminary operating results.

NL Industries Expects \$25-Million Loss DALLAS (Reuters) — Valit Inc.'s chairman and chief executive, Harold C. Simmons, said Friday that he expected the company to post a loss in 1993 because of weakness at its affiliate NL Industries Inc.

Caroleco's Loss Narrowed Last Year LOS ANGELES (Combined Dispatches) — Caroleco Pictures Inc. said Friday that it had lost \$96.9 million from continuing operations in 1992, narrowing substantially from \$217 million in 1991.

FBI Raids Scorpion Technologies LOS GATOS, California (Bloomberg) — FBI agents raided the offices of Scorpion Technologies Inc. last week looking for evidence that the company reported questionable revenue, a bureau spokesman said Friday.

For the Record Amex Inc.'s European earnings took a significant drop in the first quarter, its president and chief operating officer, Paul Drack, said. He added that Amex Europe would have trouble matching last year's sales and earnings levels for the full year.

Four Carriers, Three Hubs

STOCKHOLM — The four European airlines that are planning to merge operations would use a three-hub system for international flights, Jan Carlzon, chief executive of Scandinavian Airlines System said Friday.

WORLD STOCK MARKETS

Large table listing stock market data for various international cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and others.

U.S. FUTURES

Table listing U.S. futures market data for various commodities including grains, metals, livestock, and financial instruments.

U.S. / AT THE CLOSE

Table listing U.S. market data at the close, including stock indices, commodity indices, and other market metrics.

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Labor Peace Shatters In Sweden

STOCKHOLM — Ten thousand Swedish electrical workers went on strike Friday and further industrial action was threatened as the recession took its toll on Sweden's traditionally harmonious labor relations.

Strike's Small Effect on Big Firms

BERLIN — The spreading strike in Eastern Germany will have little negative impact on most major companies operating there, analysts said on Friday.

More Walk Out in East Germany After Talks Collapse

BERLIN — Strikes in Eastern Germany spread on Friday after metalworkers and employers meeting in Rostock failed to reach an agreement to end the five-day old dispute over broken management wage promises.

France Aids Farmers As Tactic On Trade

PARIS — Prime Minister Edouard Balladur said Friday that France would provide its farmers 1.5 billion francs (\$281.5 million) in subsidies this year as part of a strategy to unblock world trade talks.

Investor's Europe. Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various exchange rates and trends.

Ex-Polly Peck Chief Says He Feared 'Unfair' Trial

KYRENIA, Cyprus — Asil Nadir, the Turkish-Cypriot tycoon who fled Britain this week to avoid theft charges, said Friday he had skipped bail so he could tell his side of the collapse of Polly Peck International PLC.

Trading Lifts Commerzbank

BREMEN, Germany — Commerzbank AG said Friday that strong profit from trading in foreign currencies and securities for its own account boosted its group operating profit by 25.2 percent in the first quarter of 1993.

Banks Seek More Control of Cofir

MADRID — Banco Bilbao Vizcaya SA and Banco Zaragozano SA have proposed an extraordinary meeting of Corporacion Financiera Rumida SA, or Cofir, shareholders in order to propose a reduction of capital and board changes, the bourse commission said on Friday.

COUNT: How Uncle Sam Fumbled the Job Numbers

(Continued from first finance page) this information is also used by the Bureau of Labor Statistics to count job holders.

NASDAQ Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Large table containing NASDAQ stock market data, including columns for 12-month high/low, dividend yield, price, and volume for various companies.

NYSE

Friday's Closing
Tables include the national prices up to the closing on Wall Street and do not reflect late trades elsewhere. (Via The Associated Press)

(Continued)

Table with columns: High, Low, Stock Name, Price, Change. Includes various stock listings such as ABC INVESTMENT SERVICES CO (E.C.), ABC National Fund, etc.

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Advertisements supplied by funds listed. Not all fund quotations are supplied by the funds listed with the exception of some quoted based on issue prices.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - twice weekly; (m) - monthly.

May 7, 1993

Table with columns: Fund Name, Price, Change. Includes various international fund listings such as ABC INVESTMENT SERVICES CO (E.C.), ABC National Fund, etc.

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Western Luxury Items Shine in Japan
Strong Yen Lifts Sales at Tiffany, Cross and Louis Vuitton

TOKYO — From Tiffany jewelry and Cross pens to Louis Vuitton bags, a whole range of Western status symbols is getting cheaper in Japan as the mighty yen gets stronger and stronger.
It is an economist's dream, too, with theory fitting effectively into fact.
The theory goes like this: As fewer yen buy more dollars, they also buy more dollar-denominated goods. So imports can lower prices, encouraging Japanese consumers to buy more Western goods.

Tiffany has cut the price of its classy jewelry. Cross of its gold pens and Louis Vuitton of its bags and luggage, all by about one-fifth.
A Tiffany spokeswoman said Friday that Tiffany & Co. Japan, a unit of Tiffany & Co. in New York, would cut prices on 350 items of jewelry by an average 19 percent starting May 15.
Its medium-sized 18-carat gold "open heart pendant," a favorite in Japan, will sell for 157,000 yen (\$1,425), down from 190,000 yen.

Its medium-sized 18-carat gold "open heart pendant," a favorite in Japan, will sell for 157,000 yen (\$1,425), down from 190,000 yen.
"We have always paid attention to the needs of the local market and changing economic conditions," the spokeswoman said. "Tiffany has been active in trying to eliminate the price gap that exists between goods sold in Japan and the U.S."
The U.S.-based pen maker Cross was even quicker off the mark. It said it had lowered prices of its products sold in Japan by up to a fifth starting in February. A pen that cost 5,000 yen now costs 4,000 yen.

Hutchison May Need More Capital Later

HONG KONG — Hutchison Whampoa Ltd.'s share placement on Thursday to raise 4.48 billion Hong Kong dollars (\$580 million) was much smaller than expected, and the company may need another issue next year to finance its China expansion, analysts said.
The local market had been expecting Hutchison to make a placement of between 7 billion and 10 billion dollars, analysts said.
"The money raised from this placement will be adequate for this year, but I think next year they'll probably need to have another placement if they're expanding in China," said Adrian Ngan, a search director for Vickers Ballas Hong Kong.
Engene Law, research director at DBS Securities, said the placement removed some short-term uncertainty about Hutchison. "They've promised not to raise any more money this year," he said. "But next year I think they could be one of a number of companies in Hong Kong which go to the market."

Investor's Asia

Table with columns for Hong Kong, Singapore, Tokyo, and various indices like Hang Seng, Straits Times, Nikkei 225. Includes a line graph showing trends over time.

TRADE: U.S. Firms Join Fray Over Favored Status

(Continued from first finance page)
added, "he will be doing the exact opposite of what he promised. We will lose orders and people will lose jobs."
Many business leaders say that using trade privileges to address human rights and arms proliferation will do little to persuade the Chinese to make changes. And some executives argue that selling to China can help the United States realize its policy goals.

Richard A. Brocher, director of business advisory services for the United States-China Business Council, said, "American companies are working the China trade issue more aggressively than ever before because the commercial stakes are so much higher this year."
"The pressure from the Chinese is not overt, but it's generally understood that all these big business deals will die overnight if their favorable status is revoked," he added. "Everything that we are selling, they can buy from someone else."

MANILA: Government Casts Shadow Over Firms

(Continued from first finance page)
up to 800,000 people are waiting to be connected to a creaking system that has been called a national emergency. San Miguel, steered by Andres Soriano 3d, has expanded internationally and managed strong growth in recent years.
"We believe a telephone monopoly is an obstacle to the Philippines being transformed into a 'tiger' economy by the year 2000 as envisioned by the president," said Mr. Gumigundo.
PLDT's management says it has not been adversely affected by its majority owners' new vocalism.

Very briefly:

- Canon Inc., the maker of cameras and copiers, slashed its forecast for consolidated pretax profit by 37 percent, to 64 billion yen (\$381.4 million), for calendar 1993, blaming the rapid rise of the yen.
NEC Corp.'s ratings on \$3.1 billion in current and planned debt offerings were downgraded by Moody's Investors Service Inc., which cited "severe competition" in computer and semiconductor markets.
East West Airlines, a private competitor to the state-owned Indian Airlines, reported a net profit of 150 million rupees (\$5 million) on sales of 3.48 billion rupees for its first year of operation, ended March 31.
Development Co. of the Jinqiao Export Processing Zone became the first Shanghai-listed company this year to issue B shares, which are reserved for foreign-currency buyers; the company sold 110 million shares at 2.8 yuan each to raise 305 million yuan (\$53.9 million).

AMEX Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

AMEX Friday's Closing table with columns for 12 Month High/Low, Div, Yld, PE, and various stock symbols like AMZN, AAPL, etc.

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RELIGIOUS SERVICES

- AMSTERDAM: CROSSROADS INTERNATIONAL CHURCH...
BARCELONA: INTERNATIONAL BAPTIST CHURCH...
HAMBURG: INTERNATIONAL BAPTIST CHURCH...
ASSOC. OF INT'L. CHURCHES IN EUROPE & MIDEAST: BERLIN, BRUSSELS, COPENHAGEN, FRANKFURT, GENEVA, LONDON, MOSCOW, OSLO, PARIS, STOCKHOLM, VIENNA, WARSAW.
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**FIRST COLUMN**  
**Culture Gap Narrows for Investors**

**T**HE great divide in investment philosophies is well known: There are those who invest for profit, and there are those who invest for power. Until the last year or two it was fairly clear who was on which side of the fence. The Americans and the British were prominent among the profit cultures; the Japanese, the Germans and the French were notable for their preference for power — alias market share — first, profit later.

But the picture has become a little muddied in recent years. Nor is it becoming any clearer, as the profit cultures take on board social and other considerations, and the power brokers and planners pay more attention to immediate profitability.

A good example of the move away from the profit motive is the shareholder action movement in the United States. More and more corporate shareholders are exercising their voting rights with regard to a company's impact on the environment, or the perceived moral quality of the business it does. Shareholder action is a big and growing thing in the United States, and it is beginning to worry some managers who pine for the days when all they had to do was produce a good set of year-end figures.

Bizarrely enough, although conscientious shareholders have been around for years, the genesis of this movement's popularity was pure profit. When investors began to group together and demand better returns, they were impressed by management's receptivity to their demands.

Conversely, in France and Japan, investors are beginning to look toward the short term. Troubled by the fall in share values, Japanese investors are less patient than ever before with the tiny dividend returns they see on shares. Foreign institutional investors, notably fund managers, have been complaining for years about this. Now they are beginning to be heard.

Meanwhile, in France, something similar has been happening. The new government, despite its rightist complexion, has asked a leading market regulator to look into the possibility of paying increased dividends to long-term investors. A few years ago, inducements to stay in for the long haul would not have been necessary.

M.B.

**So, Why Worry About Inflation?**

By Tom Redburn

**E**CONOMIC gloom is in the air. The global economy is stagnant as unemployment rises almost everywhere in the industrial world. Even those countries showing signs of improvement — most notably the United States and Britain — are still stumbling and performing far below par. Consumer and producer prices are under control in nearly all major nations. And although there has been a recent bump in the prices of several basic commodities, such important leading indicators as copper are stuck in the cellar. So, why start worrying about inflation?

Maybe because not many other people are. In the United States, for example, a recent survey of economists for the Blue Chip forecast produced a consensus forecast of 3.3 percent inflation in 1993. The bond market, after a strong rally, is quiescent and price increases are expected to remain moderate for at least the next couple of years. And despite a brief flurry of inflation jitters earlier this year, investment managers almost universally dismiss such concerns as overblown.

But what if they are wrong?

Consider, for instance, the views of John Mueller, vice president and chief economist at the firm of Lehman Bell Mueller Cannon, a consulting firm based in a Washington suburb. "We're in the lull between two waves of commodity inflation," says Mr. Mueller. "Despite a general trend in the past decade of secular disinflation, in which each peak has been lower than the last one, we still see a cyclical acceleration in the inflation rate getting under way later this year."

LBMC, which bases its forecasts on up-and-downs in what it calls the "world dollar base," a measure of the creation of U.S. dollars both in the United States and by foreign central banks, has had a particularly good record in recent years in predicting economic turning points.

Under Mr. Mueller's scenario, general commodity inflation, measured in dollars, is expected to rise from a rate of about 3 percent today to at least 5 percent within the next two or three years. That may not sound like much, compared to the era of double-digit inflation in the 1970s, but it could easily be enough to pull the props out from under the U.S. bond market by next year. The central reason for the rise is the relatively easy money policies being pursued by most central banks as they struggle to pull the advanced industrial world out of its economic doldrums.

Moreover, even though LBMC expects robust corporate profits based on economic

growth in excess of consensus forecasts, it believes the U.S. stock market is on its last legs and will be vulnerable to at least a modest downturn later this year.

Gold, the traditional inflation hedge, has been in the spotlight after George Soros stepped into the market. But Mr. Mueller thinks copper futures, which have been unusually depressed, are by far the best bet for a strong rally. He also sees some opportunities in selected European and U.S. real estate markets and in energy stocks.

**R**ESTING on top of the effort to apply a monetarist-oriented approach to the inflation front," says John Mueller, a money manager and economic consultant based in Greenwich, Connecticut.

Mr. Rutledge, in addition to citing the advance of commodity prices as a warning flag, also is particularly worried about the White House's approach to the federal budget over the next few years. His analysis is in sharp contrast to most analysts, who see Mr. Clinton's plan as a serious attack on the deficit. The consensus view foresees, in the best case, a sharp reduction in borrowing leading to lower interest rates, or, at the worst, a slowdown in growth as fiscal drag digs in its heels. Either outcome should be good for bonds.

Mr. Rutledge, however, disagrees with the basic premise. The White House, he argues, is planning to boost spending significantly, while relying on some shaky assumptions about how much revenue its tax increases will collect. At the same time, its tax hikes will undermine incentives for creating wealth. "History shows that the government is more adept at spending money than collecting it. Look for a higher, not lower, deficit if the Clinton package passes Congress."

Like many other economists, he also fears the inflationary impact of the White House's potential trade policy, worrying that both the hawkish and dovish factions within the administration will end up uniting behind a strategy to resume the effort to drive down the dollar against the Japanese yen in a futile attempt to balance trade accounts.

"We have no confidence in this on-off rally in bonds, and suggest taking advantage of the euphoria in the fixed-income sector," Mr. Rutledge writes in the Rutledge & Co. newsletter, *The Portfolio Monitor*. "Clients who trade actively should take profit on existing positions of 30-year bonds and move into the intermediate maturities. Five- to seven-year notes are most attractive."

Still, mainstream analysts remain largely unworried about inflation. Indeed, given the recession in Continental Europe, disappointing gains in the United States, uncertainty about the prospects for Japan and overcapacity in many global industries, the greater fear today is that a round of deflation is still ahead.

A. Gary Shilling, an investment adviser in Springfield, New Jersey, was an early proponent of the view that the 1980s would be an era of unwinding inflation. He sees more of the same for the 1990s.

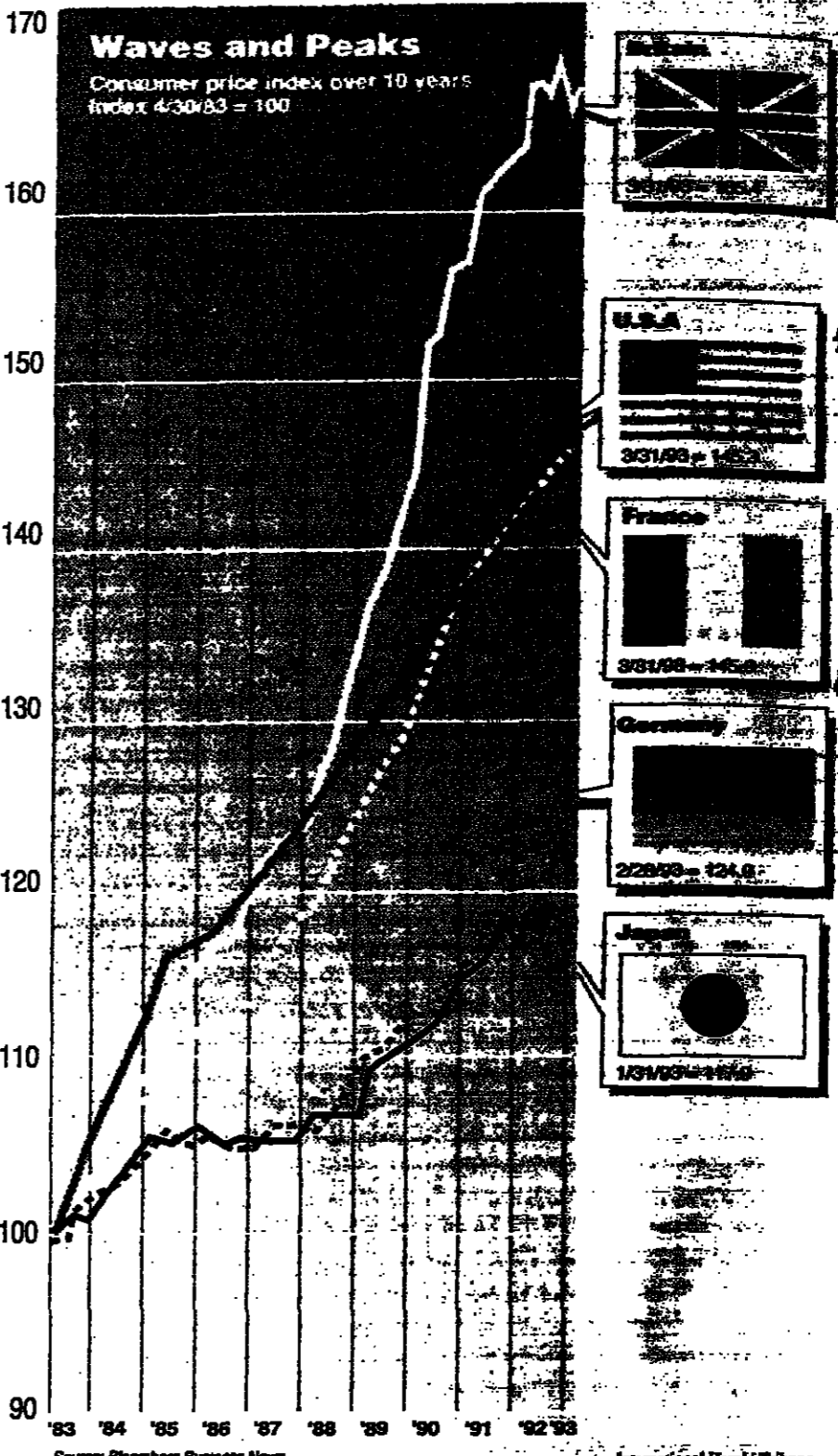
"With universal zeal for productivity, especially aimed at eliminating labor costs, deflation and lower interest rates are in store," Mr. Shilling says. "Expect lower, not higher, inflation and hang on to your bonds."

What if you want to protect yourself against both possibilities: inflation or deflation? That may not be easy, but there are some potential investments that should perform well regardless. Both sides in the debate, for example, generally see greater opportunities outside the United States than inside it. But dollar investors who, along with the consensus, expect the greenback to rise should hedge, while those who think government policy will contribute to further weakness may want to take a chance on an extra kick.

**A**MONG commodities, natural gas, which has already enjoyed a boom so far this year, is popular in both camps. Some who foresee industrial commodity weakness nonetheless expect gas stocks and futures to buck the trend. Analysts who predict wider commodity inflation think all energy prices are likely to rise further, with gas receiving an extra fillip from colder weather and environmental concerns.

So, whether you are worried or not about inflation, recognize that at least a serious debate is under way about its potential. That alone should raise some cautionary signals.

"Once inflation is apparent to everyone," Tom Donbeck, an investment manager at Northwestern Mutual Insurance, told a recent conference sponsored by Grant's Interest Rate Observer, "there is little the investor can do."



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Anthony Sampson, Journalist and International Writer

**WHAT IS THE FUTURE OF GLOBAL INVESTING?**  
Global Asset Allocation Strategies Of The Future  
Malcolm Mitchell, Senior Consultant, InterSec

**THE PENSION FUND PERSPECTIVE**  
Peter Denck, Deputy Executive Director, P.K.A. Pension Funds, Copenhagen

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Axel-Gunter Benkner, Managing Director, D.W.S., Frankfurt  
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Ranjan Pal, Director and Regional Economist, Jardines Fleming Broking Ltd., Hong Kong  
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Audley Twiston Davies, Managing Director, Latin American Securities, London  
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The equity session will also be addressed by a major U.S. fund manager.

**LUNCHEON ADDRESS**  
Norbert Walter, Chief Economist, Deutsche Bank, Frankfurt

**COCKTAILS**  
Hosted by Merrill Lynch Asset Management U.K.

**REGISTRATION INFORMATION:** The fee for the conference is £395 plus VAT at 17.5%. This includes lunch on both days, the cocktail reception on June 9 and all conference documentation. Fees are payable in advance and will be refunded less a £75 cancellation charge for any cancellation received in writing on or before June 1, after which time we regret there can be no refund. Substitutions, however, may be made at any time.

**REGISTRATION FORM:** To register for the conference, please complete the form below and send it to: Brenda Hagerly, International Herald Tribune, 63 Long Acre, London WC2E 9AH, England. Tel: (44 71) 636 4802 Fax: (44 71) 636 0717

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**Herald Tribune**  
INTERNATIONAL FINANCIAL REPORTING

THE MONEY REPORT

Swiss Banking Keeps Its Aura

By Philip Crawford

LIKE a venerable boxing champion whose skills show signs of fading, the Swiss banking industry has endured whispers over the past few years that its glory days are a thing of the past.

Most such talk has proclaimed offshore centers such as Luxembourg, Jersey and Guernsey as the new champions of the elite banking hill, by virtue of their powerful combination of attractions: no taxes for nonresident investors and stringent confidentiality laws. Banking secrecy in Switzerland, by contrast, has slipped somewhat, according to industry insiders.

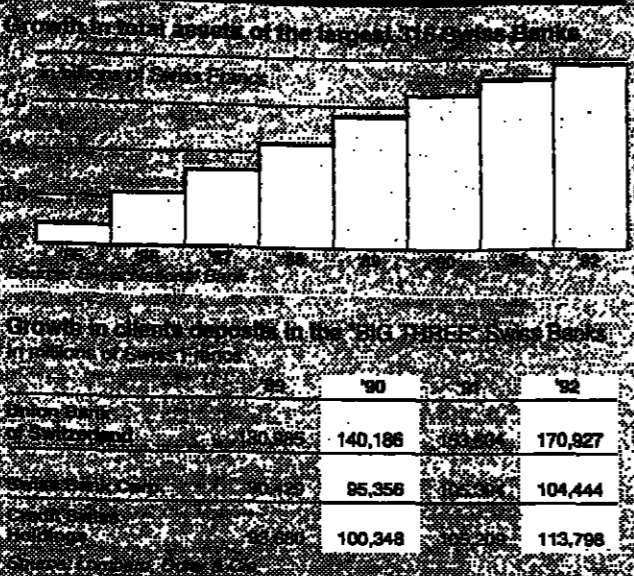
But many analysts say that Switzerland still has plenty of life remaining as a global banking power. The Swiss virtually invented the concept of private banking, and that expertise has not disappeared, note some pundits. Moreover, shares of the "big three" Swiss banks — Union Bank of Switzerland, Swiss Bank Corporation, and Credit Suisse Holding — are being cited by many analysts as good buys for investors.

At the top of the mountain is Union Bank of Switzerland, whose 1992 pretax profits grew nearly 16 percent to 1.92 billion Swiss francs (\$1.37 billion), the strongest performance of the major Swiss banks. The generally lukewarm global business climate in 1992 makes UBS's showing that much more impressive, say some experts. Moreover, the bank last week announced that all of its subsidiaries posted earnings increases during the first quarter of 1993.

With 390 branches in Switzerland and 30 international bureaus, UBS is also the Swiss domestic leader in savings deposits, lending, and fund management, although Credit Suisse's recent acquisition of Swiss Volksbank could eventually give that new power the ways and means to challenge UBS's dominance.

Serge Ledermann, head of Swiss research at the Geneva-based private banking firm Lombard, Odier & Cie, said he estimates 1993 profit growth at UBS to be fully 20 percent. "When you look at the strength of UBS's global portfolio," he said, "it is clear that it's alongside Deutsche Bank as the best of the international bank stocks. In Switzerland, it's the best stock in the sector. And despite how well UBS shares have per-

Still Banking On Switzerland



Swiss bank earnings in billions of Swiss francs

formed in the recent past, we don't feel they have exhausted their growth potential. We rate the shares a buy."

A recent report published by Lombard Odier entitled "Steady As She Goes — The Major Swiss Banks on the Move Again," notes that UBS's trading income in 1992 grew by 32 percent to 1.6 billion francs. Moreover, more than a third of the bank's 1992 pretax profit growth was derived from operations outside Switzerland. Those aspects of the bank's income statement bode well for continued earnings growth, add other analysts.

"UBS is generally considered a very high-quality stock," said Bryan Crossley, who covers Swiss banks for Hoare Govett in London. "And we foresee substantial improvement in its underlying profitability. We have a 'buy' recommendation on the shares." Derek Bullman, a banking analyst at James Capel & Co. in London, echoed the positive outlook on UBS shares.

Such smooth sailing has not been the case for Swiss Bank Corporation, whose 1992 results fell below market expectations. The bank's consolidated net profit fell more than 2 percent to about 1 billion francs last year, despite a cash infusion of over 250 million francs from the sale of Steiermärkische Elektrizitätsgesellschaft, an Austrian utility. Moreover, provisions were up 32 percent to 1.9 billion francs, a malady that many blame on the

Ledermann. "The acquisition will weigh heavily on the 1993 and 1994 accounts of the whole group. Although we're not negative on Credit Suisse, we are neutral on the shares for the time being."

Mr. Ledermann added that CS Holding, with its considerable activities in areas such as insurance and electric utilities, is less of a pure banking stock than the other Swiss majors. That characteristic, he said, is a factor in Lombard Odier's reticence on the company's shares vis-à-vis those of UBS and SBC, the twin pillars of the generally thriving "pure-play" banking sector in Switzerland.

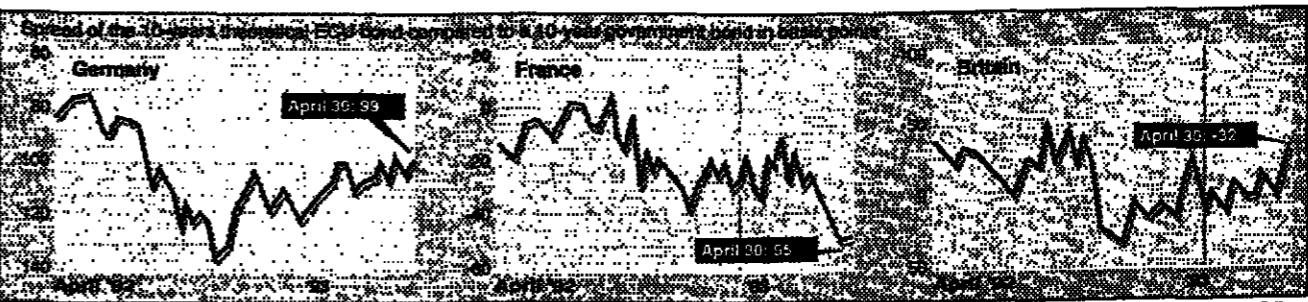
Mr. Crossley, however, sees CS Holding's takeover of Swiss Volksbank as more nourishing than upsetting. "I don't think the acquisition looks overly demanding," he said. "I have a 'buy' recommendation on the shares. For one thing, the takeover will be important in balancing Credit Suisse's inherently volatile trading activities, which seem to have mattered most to the company, with simple, good-quality retail banking. If there's any dilution at all, it will not be significant, and there are substantial benefits down the road."

CS Holding's 1992 results, released last week, were auspicious. The company reported a net profit of 1.03 billion francs, up about 5 percent from a year earlier. Perhaps even more promising, experts said, was the reported figure of a 21 percent increase in cash flow, to slightly under 3 billion francs.

M. R. Bullman of James Capel & Co. also saw more benefits stemming from the acquisition than disadvantages. "It's a better deal now than it looked like when it first happened," he said. "And two or three years down the road it should look very good indeed. I think CS Holding shares are more of a 'buy than a hold.'"

While acknowledging that political pressure has weakened Swiss banking secrecy somewhat, and that offshore centers may have benefited as a result, many analysts maintain that Swiss banking, as an industry, is alive, well, and still gaining momentum. Indeed, overall growth statistics back up that view.

"Secrecy may not be as tight as it once was," said Mr. Crossley, "but that's not an issue for the vast majority of clients. Swiss banking continues to have a certain franchise effect. It has an aura that is internationally respected."



Source: Bloomberg Business News

Bonds, Bunds and the Power of the Danes

By Conrad de Aenle

A CRITICAL vote in Denmark on the Maastricht treaty mandating a closer economic and monetary ties within the European Community is less than two weeks away, and yields on bonds denominated in European Currency Units are falling, as are their spreads over the yields of German government bonds, known as Bunds.

Sound familiar? The same thing happened almost exactly a year ago. Then the Danes narrowly rejected the Treaty on European Union, and yields shot up half a point in a couple of months. The spread over German Bunds rose by three-quarters of a point.

The prevailing view among analysts who follow Ecu bonds is that holders have less to fear if the Danes vote no again, which seems unlikely. That said, many of them are not crazy about Ecu bonds, either, and prefer choosing issues denominated in conventional currencies to get exposure to European bond markets.

"The market is not really subject to quite the same shocks as last year," said one fixed-income analyst at a London investment bank, explaining the renewed bravery among Ecu bond traders ahead of the May 18 Danish vote. "People didn't know what an Ecu bond was. They wanted to get paid in a sensible currency, not some fictitious paper." If the Danes vote no, the market "probably will take spreads out wider, but it won't be the big shock it was last year."

But Neil Williams, senior economist at Daiwa Institute of Research, sees plenty of doubts hanging over the market, even if the vote comes out yes.

"Short term, we're still quite bullish on Ecu bonds, but longer term, there are questions," he said. After Denmark, Britain has its opportunity to scuttle the treaty, and whether it does or does not, the process will be a long and tedious one.

"I believe that debate will continue through most of this year," resulting in a widening of the spread over Bunds, Mr. Williams said. But for the moment, the spread is "narrowing happily" ahead of the Danish referendum. "After the referendum is a time for profit taking," he advised.

The spread of the 10-year theoretical Ecu bond over German Bunds of the same maturity was 91 basis points on Friday. Spreads over German yields have come down for two reasons, Tim Lund, a senior bond analyst at Credit Suisse First Boston, believes. "The easy answer is tensions within the European exchange rate mechanism are narrowing," he said. "For that reason, spreads across Europe are narrowing, and the Ecu is a natural beneficiary of that."

Danish interest rates have fallen relative to most in anticipation of a yes vote, notes Adrian James of County NatWest Wood Mackenzie.

"Long rates should have converged, so you should theoretically be getting Deutsche marks," but at a higher yield, he said. But that would only hold true, he explained, if there were no appreciable steepening of the yield curve. If rates on longer maturities went up considerably, the benefits of a single currency could be wiped away.

The analysis as a group says Europe's bond markets are likely to maintain the advance that began last summer because of the dim prospects for the Continental economy. Daiwa is forecasting no real

growth for the European Community as a whole this year, as Germany drags down everyone else, compared with about 2 percent growth last year.

To make the most of any continued strength in bonds, analysts counsel buying the individual markets, forsaking Ecu issues. A research report by J.P. Morgan says: "We recommend longer-term investors to switch some of their Ecu bond holdings into selected underlying markets that should outperform Ecu bonds, in particular France, Denmark and Spain."

Advertisement for Lombard Classic 90 account, highlighting 'HIGH INTEREST AND INSTANT ACCESS'.

The Lombard Classic 90 account is designed specially to provide all the benefits you could want for your savings.

Table showing account balance, gross rate, and C.A.R. for different investment levels.

SPECIAL INSTANT ACCESS - Our special instant access facility allows you to make one withdrawal each year of up to 10% of your balance without giving notice and without incurring a penalty.

CONFIDENTIALITY - You have Lombard's assurance that your Classic 90 account will be operated in complete confidence.

Form for requesting details of the Lombard Classic 90 account, including name, address, and contact information.

Lombard DEPOSIT ACCOUNTS advertisement, listing various account types and interest rates.

April Market Scoreboard

Table showing Best Performers and Worst Performers in various markets like Asia, Europe, and US.

BRIEFCASE

Dell Computer Tops Shareholders' Chart - Which American company is the best one to own shares in? It could be Dell Computer, which placed first in the Shareholder 1,000 rankings published by the United Shareholders Association.

Tokyo Most Expensive To House Expatriates - Tokyo remains the most expensive place to keep an American mid-level employee and his family, according to a survey by the management consultancy Runzheimer International.

Chicago Options Unit To Offer New Indices - The Chicago Board Options Exchange announced that it will list options series on six sector indices of Standard & Poor's 500-share index and two sector indices of the exchange's creation.

Advertisement for Fidelity Money Funds, highlighting 'Only one range of international Money Funds scores Triple A'.

Advertisement for Fidelity Investments, providing contact information for various offices and services.

Advertisement for Jyske Bank, promoting a 'No. 1 Account open for new clients' with various interest rates and features.

# SPORTS BASEBALL

## For O's McDonald, A Hapless Display Of Pitching Misery

The Associated Press  
Ben McDonald knew exactly what he wanted to do with the Toronto Blue Jays. Instead, they did it to him.

"The one Coles hit was a slider I left out over the plate," the Baltimore Orioles' pitcher said, referring to Darnell Coles, after a 10-8 loss to the Blue Jays in Toronto on Thursday night. He added, referring to Pat Borders and Joe Carter: "Borders was a belly-high fastball. I was trying to pitch Carter high, but I didn't get it high enough. It was four bad pitches. Actually, only three. The fourth was the one he threw to Ed Sprague, who promptly hit it out of the park for Toronto's fourth homer of the evening."

The homers accounted for all of Toronto's six runs against McDonald. After Damon Buford hit his first major league homer to pull the Orioles even 3-3 in the fourth, Sprague responded in the bottom half with his third of the season.

Athletics 6, Red Sox 3: Oakland's Mark McGwire homered twice in Boston, including his first ever off Roger Clemens. McGwire, who had been 1 for 29 in his career against Clemens, hit his sixth homer against Oakland's first run in the sixth, Ruben Sierra had an RBI triple. McGwire, who received an intentional walk, scored when shortstop John Valentin erred on a grounder. Mike Bordick added a sacrifice fly.

Angels 3, Yankees 1: Chili Davis hit a tie-breaking two-run home off Steve Howe in the eighth as visiting California and the former Yankee Scott Sanderson beat New York. Sanderson and Mike Witt staged a pitching duel. Witt, making only his third start of the season following right elbow rehabilitation, gave up just one run, six hits and one walk in seven innings.

With the score 1-1, Howe walked J. T. Snow, and Davis homered on a 0-2 pitch. Sanderson gave up five hits in eight innings, improving to 4-0 lifetime against the Yankees.

Mariners 9, Indians 5: In Cleveland, Pete O'Brien ended an 0-for-16 slide with a single and one of four home runs as Seattle ended Cleveland's five-game winning streak.

O'Brien singled during the Mariners' four-run third inning, then hit a two-run homer, his fourth, to chase Jose Mesa in the fifth.



The Seattle second baseman Rich Amaral and the Indians' Reggie Jefferson collided as Amaral turned a double play in Cleveland.

## Astros Find Even a 4-Run Cushion No Protection

The Associated Press  
With a 4-0 lead, ace Doug Drabek working on a shutout in the ninth inning and top reliever Doug Jones in waiting if necessary, the Houston Astros' manager, Art Howe, had reason to be optimistic.

"I thought we had it, after we hit those two home runs in the eighth," Howe said, after a 5-4 loss to visiting Cincinnati on Thursday. Reggie Sanders hit a two-run homer—the second of the inning off Jones—and the Reds scored all their runs in their final at-bat to stun the Astros.

Drabek—backed by three homers among Houston's six hits—lost his shutout bid on a double by Bobby Kelly and a run-scoring double by Jeff Branson. Jones came on and

Justice and Ron Gant homered and drove in four runs apiece for Atlanta.

The Braves scored at least one run in each of the first four innings off Colorado's David Nied, a former Atlanta prospect who was the top pick in the expansion draft. The Braves led 5-1 before Nied finally emerged unscathed in the fifth.

Schott May Quit Baseball  
Cincinnati Reds owner Marge Schott says the commotion surrounding his one-year suspension has damaged her health and she just doesn't want to return to baseball when

eligible Nov. 1, The Associated Press reported from Toronto.

"I don't even know if I want to remain an owner beyond November," she was quoted in the Toronto Globe and Mail on Thursday. "I'll have to think about it."

Schott, 64, said the ordeal "has really taken its toll on me."  
"The skin on both my legs has opened up and they're fully wrapped," she added. "I get blue patches on my arms, too. I've seen four doctors and they think it's nerve-related. I just don't know if it's worth it anymore."

### SIDELINES

#### Samaranch Snubs Berlin Over Riots

BERLIN (AP)—Berlin's embattled bid to stage the 2000 Olympic Games took another blow Friday when German officials said the International Olympic Committee president, Juan Antonio Samaranch, had canceled a trip to the German capital to avoid possible riots by anti-Olympic activists.

Samaranch was slated to visit Berlin on May 24 to attend the 80th birthday party of Willi Daume, the former German National Olympic Committee president, and present him with an Olympic award.

#### NFL and Players Reach Labor Pact

NEW YORK (AP)—For the first time since 1982, the National Football League and its players' union have agreed on a collective bargaining agreement. If ratified, the seven-year pact will bring to an end the labor strife that has plagued the league since 1987.

The agreement, announced Thursday night, gives the players substantial increases in pensions, further liberalizes free agency and boosts payments to players whose lives were radically altered by football-related injuries. Players who have agreed to join the union will begin voting on the contract immediately. The league's management council unanimously approved the agreement Thursday on behalf of the 28 clubs.

#### Only 2 Foreign Horses in Japan Race

TOKYO (AP)—Only two foreign horses, one American and one French, have been entered as the first non-Japanese contenders in the 43rd Yasuda Memorial race on May 16, the organizers said Friday.

Bowing to foreign pressure, the Japan Racing Association agreed to open the Yasuda Memorial race to foreign participants beginning this year. The association selected 12 horses out of 21 applicants, but only two accepted: 6-year-old Lotus Pool of the United States and Kiwood, a 4-year-old colt from France. They will compete against 16 Japanese horses for the top prize of 93 million yen (\$844,000).

#### For the Record

Brian Clough, manager of the Nottingham Forest soccer team in England, backed down on Friday from a threat to delay his retirement after 18 years with the club until a team director who campaigned against him resigned. Clough had threatened to stay on until Chris Woollam, who made allegations against him in a British newspaper, quit. (Reuters)

## Montreal Victory, 4-3, Adds Up to Perfect 7

The Associated Press  
Seven games, seven victories. The Montreal Canadiens are still perfect in the 1993 playoffs.

Montreal won its second overtime game in a row as a deflected shot got past the Buffalo Sabres' goalie.

### STANLEY CUP

Grant Fuhr, in the extra period, giving the Canadiens a 4-3 victory on Thursday in Buffalo, New York.

Buffalo now trails Montreal 3-0 in the Adams Division final. A loss in Game 4 Saturday night would end the Sabres' season and send the Canadiens into the Wales Conference final.

Gilbert Dionne got credit for the game-winning 8:28 into the overtime for defeating Patrice Briesebois' wrist shot past Fuhr.

The loss was bad, but the news got worse for Buffalo after the game when it was revealed that winger Alexander Mogilyny, whose 76 goals tied him with Winnipeg's Teemu Selanne for the league lead in the regular season, broke his leg in the second period.

Mogilyny was backchecking Bri-

an Bellows early in the second period when four other players collided with the two of them and Fuhr at the side of the net.

Mogilyny immediately grabbed the leg, his face showing tremendous pain. X-rays later revealed the break in his right leg, near the knee.

Penguins 3, Islanders 1: In Uniondale, New York, Pittsburgh rode the hot goaltending of Tom Barraso to take a 2-1 lead over the Islanders in the best-of-7 Patrick Division series.

A tentative Mario Lemieux returned to the Pittsburgh lineup, but Barraso was the star. He made 36 saves to win a great goaltending battle with the Islanders' Glenn Healy, who made 26.

Lemieux, who returned to the Penguins' lineup after missing two games with back spasms, had an assist and two shots on goal. Pittsburgh got all the goals it needed from Ron Francis and Jaromir Jagr in the first period.

Barraso allowed only a second-period goal to Ray Ferraro. The Penguins put the game away on Joe Mullen's empty-net goal with 37.9 left.

### SCOREBOARD

#### BASEBALL

##### Major League Standings

Table with columns for American League (East and West Divisions) and National League (East and West Divisions), showing teams, wins, losses, and percentages.

##### Thursday's Line Scores

Table showing line scores for various baseball games, including Montreal vs Buffalo, Pittsburgh vs New York, and others.

#### BASEBALL

##### Major League Standings

Table with columns for Pacific League and Nippon League, showing teams, wins, losses, and percentages.

#### BASKETBALL

##### NBA Playoffs

Table showing NBA playoff results, including Boston vs Philadelphia, Detroit vs Chicago, and others.

#### BASEBALL

##### Major League Standings

Table with columns for Pacific League and Nippon League, showing teams, wins, losses, and percentages.

### CYCLING

#### Tour of Spain

Results Friday from the 12th stage: A 229-mile stage from Barcelona to Zaragoza. L. Di Domenico (Asturias), 3:58:45; J. Rodriguez (Asturias), 3:59:00; J. Garcia (Asturias), 3:59:15; J. Garcia (Asturias), 3:59:30; J. Garcia (Asturias), 3:59:45; J. Garcia (Asturias), 3:59:50; J. Garcia (Asturias), 3:59:55; J. Garcia (Asturias), 4:00:00.

### HOCKEY

#### Stanley Cup Playoffs

Division Finals (Best-of-7): Pittsburgh 3, NY Islanders 0; Pittsburgh 3, NY Islanders 0.

### TRANSACTIONS

BASEBALL: American League: Baltimore—Pul Nordhagen, outfielder, on 15-day disabled list, retroactive to May 5. Reached Mark Leonard, outfielder, from Rochester, N.Y.

### TENNIS

#### ITAM OPEN

In Rome: Italian Open: In doubles, M. J. McManis (U.S.) and A. Panatta (Italy) defeated J. H. Lundeberg (Sweden) and J. S. Lundeberg (Sweden) 6-4, 6-4.

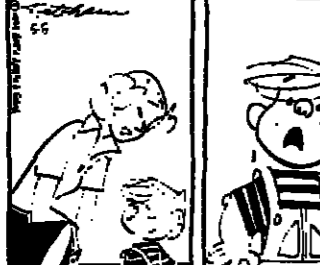
#### GERMAN OPEN

In Hamburg: German Open: In singles, M. J. McManis (U.S.) defeated J. H. Lundeberg (Sweden) 6-4, 6-4.

### SOCCER

World Cup Qualifiers: In London, England: England 1, Armenia 0.

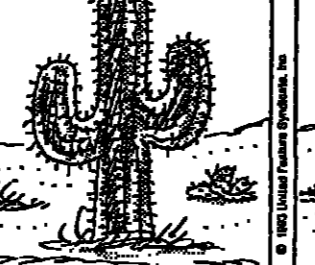
### DENNIS THE MENACE



### PEANUTS



### BLONDIE



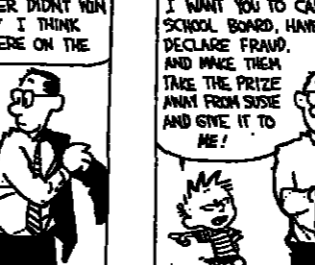
### BEELE BAILEY



### DOONESBURY



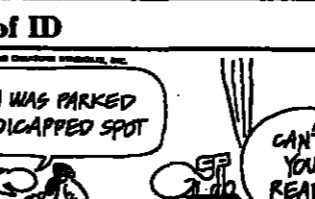
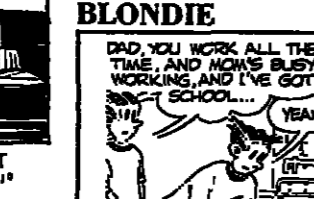
### WIZARD OF ID



### REX MORGAN

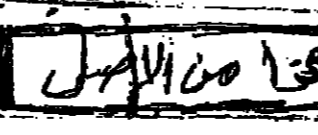


### GARFIELD



TO OUR READERS IN BERLIN: You can now receive the IHT hand delivered to your home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

Garfield comic strip panels: Garfield is fascinated by cats, like the wags they wash themselves with their tongues, and actually, he's trying to get spaghetti sauce off his fur.







DAVE BARRY

Here Comes the Bride

MIAMI — In response to numerous requests from the American Association of English Teachers on Drugs, we once again present "Ask Mr. Language Person," the column so authoritative that it recently received a question from none other than William Safire.

Of Quotes, Libel and 'Literary Devices'

By Jane Gross

SAN FRANCISCO — He was a boastful young psychoanalyst who dared to challenge the deacons of his profession and thus was dismissed as the curator of the Freud Archives. She was a writer for The New Yorker, a master of pious prose who flattered him by proposing a profile in her esteemed magazine at just the moment he was seeking vindication.



The psychoanalyst Jeffrey M. Masson, left, and the writer Janet Malcolm will square off in court Monday.

to note that Malcolm's editor for the Masson articles, and for her other work, is her husband, Gardner Botsford. What will be heard in Judge Lynch's courtroom are portions of the 40 hours of taped conversation between writer and subject. The eight jurors are also expected to examine Malcolm's notes and galley proofs and to hear from expert witnesses.

PEOPLE

A Whole Lot of Taxin'

For Jerry Lee Lewis

While Jerry Lee Lewis was off playing in Europe, Internal Revenue Service men moved into his Nesbit, Mississippi, home and seized guitars, furniture and even some of the singer's pianos.

Carolee Scott King has lost out

her bid for ownership of more than 83,000 letters, documents and manuscripts belonging to her late husband, Martin Luther King Jr.

French dogs and cats beware

Brigitte Bardot is lobbying for a pet tax that she says would help reduce births of unwanted animals.

Queen Elizabeth II, ending a

four-day state visit to Hungary with her husband, Prince Philip, got enthusiastic cheers that have been sorely missing among her subjects back home.

Gabriel Garcia Marquez is pulling

his novels out of Colombian bookstores in disgust, saying competing with counterfeit copies of his works is "unjustified."

Charles W. Kennedy, the lead lawyer

for the New Yorker, said he found those observations "rather cryptic," adding: "As far as I know, it's still the same magazine. The only difference is there's a different editor."

INTERNATIONAL CLASSIFIED

WEATHER

Weather forecast section including maps of Europe, Asia, Africa, and North America, with temperature and precipitation data for various regions.

PUT THEM ALL TOGETHER By Irene Smullyan

Crossword puzzle grid with clues for Across and Down words.

BOOKS

RAMEAU'S NIECE By Cathleen Schine, 280 pages. \$19.95. Ticknor & Fields. Reviewed by Michiko Kakutani

Duke Ellington: Hometown Show Washington Post Service WASHINGTON — Duke Ellington is on the road again.

Large advertisement for AT&T WorldDirect Service, featuring a globe and the slogan 'Speed up the approval process'.